OxfordBioMedica

OXFORD BIOMEDICA PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Oxford, UK – 28 August 2014: Oxford BioMedica plc ("Oxford BioMedica" or "the Company") (LSE: OXB), a world-leading gene and cell therapy company, today announces its unaudited interim results for the six months ended 30 June 2014.

HIGHLIGHTS

OPERATIONAL:

- **LentiVector® manufacturing and process development**
  - *Novartis development and manufacturing collaboration:*
    - £3.6 million revenues generated in H1 2014; total revenues now exceed £5 million
  - *AMSCI project gathering momentum:*
    - Design phase for additional capacity at the manufacturing site nearing completion
- **LentiVector® Product Development:**
  - *Ocular programmes:*
    - RetinoStat® patient recruitment and dosing completed; patients now in follow-up phase
    - StarGen™ and UshStat® licensed to Sanofi and Phase I/IIa studies fully handed over
    - EncorStat® Phase I/II study being planned
  - *CNS programmes:*
    - ProSavin® Phase I/II study results published in *The Lancet*
    - £2.2 million Technology Strategy Board grant secured for OXB-102 Phase I/II study

FINANCIAL[1]:

- Revenue of £4.7 million (H1 2013 £2.1 million), including £3.6 million from Novartis collaboration
- Research & Development costs of £6.9 million (H1 2013 £6.8 million)
- Net loss of £4.8 million (H1 2013 £5.9 million)
- Net cash burn[2] reduced to £5.0 million (H1 2013 £7.3 million)
- Successful fundraise of £20.1 million net of expenses in June 2014
- Net cash[3] at 30 June 2014 of £18.3 million (31 December 2013: £2.2 million)
- Repayment in full of the amount drawn down from the £5 million secured loan facility agreement with the Vulpes Life Sciences Fund

POST PERIOD END HIGHLIGHTS:

- Paul Blake appointed as Chief Development Officer, having served as a non-executive director of the Company since January 2010

1. Unaudited results
2. Net cash used in operating activities plus sales and purchases of non-current assets
3. Cash, cash equivalents and available for sale investments

John Dawson, Chief Executive Officer of Oxford BioMedica, said: *"Oxford BioMedica is now a sector-leader within the internationally attractive gene and cell therapy space and our operations are progressing extremely well. Our business model now encapsulates three strands: an unrivalled portfolio of gene therapy products in development; LentiVector® license agreements based on our strong IP and gene delivery system; and revenues from third-party manufacturing & development services. Our platform and strategy is well-validated by our collaborations with Sanofi, Novartis, GSK and Pfizer and our significant recent funding round endorsed this further. Our strategy is to use our model to reach cash-flow break even and we are very well-placed to deliver significant near-term value creation for shareholders."*

-Ends-

An analyst briefing will be held at 09:30am BST on Thursday, 28 August 2014 at the offices of Consilium Strategic Communications, 41 Lothbury, London, EC2V 8AE. There will be a simultaneous live conference call and the presentation will be available on the Company's website at www.oxfordbiomedica.co.uk.

Please visit the website approximately five minutes before the conference call, at 09:25am BST, to download the presentation slides. Conference call details:

Participant dial-in: +44 (0) 1452 555 566
Conference ID: 89288921

An audio replay file will be made available shortly afterwards via the Company's website on the "Media/Download centre/Webcasts and audio" section. Alternatively, you may listen to the replay by dialling the following number:
Dial-in for replay (available until 25-09-2014): +44 (0)1452 550 000
Conference ID: 89288921

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Disclaimer

This press release contains "forward-looking statements", including statements about the discovery, development and commercialisation of products. Various risks may cause Oxford BioMedica's actual results to differ materially from those expressed or implied by the forward-looking statements, including adverse results in clinical development programmes; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. Oxford BioMedica disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Notes to editors

1. About Oxford BioMedica®

Oxford BioMedica plc (LSE: OXB) is a biopharmaceutical company developing innovative gene-based medicines and therapeutic vaccines that aim to improve the lives of patients with high unmet medical needs. The Company's technology platform includes a highly efficient LentiVector® gene delivery technology, which has specific advantages for targeting diseases of the eye and central nervous system; and a unique tumour antigen (5T4), which is an ideal target for anti-cancer therapy. Through in-house and collaborative research, Oxford BioMedica has a broad pipeline with current partners and licensees including Sanofi, Pfizer, Novartis, GlaxoSmithKline, MolMed, Sigma-Aldrich, Biogen Idec, Emergent BioSolutions, ImaginAb and Immune Design Corp. Further information is available at www.oxfordbiomedica.co.uk and www.oxbsolutions.co.uk.

Overview

During the first six months of 2014, Oxford BioMedica continued to work very closely with Novartis on the lentiviral vector process development and manufacturing collaboration signed in 2013. This has brought in more than £5 million revenues to date and we believe it is a springboard for further similar revenue generating contracts that we could achieve in the future as we continue to maximise our distinct expertise.

We have also continued to advance our LentiVector® product development programmes in ophthalmology and CNS and to explore new product and business opportunities in gene and cell therapy. Our collaborators and licensees include Novartis, Sanofi, GSK and Pfizer and we continue to have frequent discussions about our technology platforms and our specific products with multiple other companies. Due to the heightened interest in our field, and the nature of our strategic business model which now incorporates revenues from manufacturing and development services to offset cash burn, we were pleased to be able to raise further funds from existing and new international blue-chip investors.

Operational review

PROCESS DEVELOPMENT AND MANUFACTURING FOR LENTIVECTOR® PRODUCTS

Development and manufacturing collaboration with Novartis

During the first six months of 2014 we continued to work closely with Novartis in developing the manufacturing process for, and manufacturing batches of, the lentiviral vector required for its CTL019 therapy programme. CTL019 is an investigational chimeric antigen receptor (CAR) therapy for the treatment of paediatric and adult patients with relapsed/refractory acute lymphoblastic leukaemia. It has recently been granted Breakthrough Therapy status by the United States Food and Drug Administration (FDA). CTL019 uses CAR technology to reprogram a patient's own T cells to "hunt" cancer cells that express a specific protein, called CD19. After they have been reprogrammed, the T cells (now called CTL019) are re-introduced into the patient's blood; they proliferate and bind to the targeted CD19 positive cancer cells and destroy them. Since the collaboration started, we have generated more than £5 million revenues from this collaboration.

Advanced Manufacturing Supply Chain Initiative

In September 2013, we announced that we had been awarded a combination of government grant and loan funding worth £7.1 million as the lead member of the consortium we have established to support us in becoming a world-leader in Advanced Therapy Medicinal Products (ATMP) manufacture and supply chain expertise. Oxford BioMedica, supported by the consortium, will expand its proprietary manufacturing facility in Oxford to incorporate a third production suite and a state-of-the-art fill and finish operation; and develop our capability in serum-free, non-adherent manufacturing techniques. The award was made under the UK Government's Advanced Manufacturing Supply Chain Initiative (AMSCI) and was formally confirmed earlier this year. Since then we have been working with our collaborators (the Heart of England NHS Foundation, Cranfield University and Cell Therapy Catapult Ltd) to evaluate our future needs and to design the construction and process development projects required to implement the project objectives. This work is nearing completion and we will be moving into active project work before the end of this year.

LENTIVECTOR® PRODUCT DEVELOPMENT

The following product development programmes all utilise the Group's proprietary LentiVector® gene delivery technology.

Ocular programmes

We announced in April 2014 that the Phase I study for **RetinoStat®**, a therapy for "wet" age-related macular degeneration (AMD), had completed its patient recruitment and dosing phase. 21 patients have been recruited and dosed and are now in the efficacy and safety assessment follow-up phase. Analysis of patient samples to date has shown a substantial increase above baseline levels of both endostatin and angiostatin proteins in the eye following a single administration of RetinoStat®. Protein expression has been sustained to 12 months (the longest time-point assessed to date in the

first three cohorts); and a clear proportional dose response has been seen. Indicative results from the study are expected towards the end of 2014. RetinoStat® was originally covered by the collaboration with Sanofi but Sanofi returned the product to Oxford BioMedica in April 2014, a decision that was not linked to any unexpected results based on an analysis of the data to date from the study. We are now focussed on completing the patient follow-up phase and will then analyse the results of the Phase I study and consider how best to take the product forward into Phase II. We are also having regular discussions with companies that may wish to be involved with RetinoStat® in the future.

In February 2014 we announced that we had concluded the terms of the development and commercialisation licence agreement with Sanofi to develop and commercialise **StarGen™** and **UshStat®**, treatments for Stargardt disease and Usher syndrome type 1B respectively. Under the terms of the licence, Sanofi was granted broadened global rights across all ocular disease indications for StarGen™ and UshStat® and, in return, Oxford BioMedica regained the worldwide rights to **EncorStat®**, a treatment for corneal graft rejection.

Responsibility for the ongoing Phase I/IIa studies for both StarGen™ and UshStat® has now been successfully transferred to Sanofi and Oxford BioMedica's active involvement in these studies has concluded. We are still involved in transferring materials and technical know-how to Sanofi. Once this is completed, the Group retains a financial interest in these two products through rights to development milestone and royalty payments.

We are now concentrating on developing the protocol for the Phase I/II study for EncorStat® for which we plan to initiate patient recruitment next year. This study will be partially funded by a £1.8 million grant from the Technology Strategy Board which we were awarded in 2013.

Glaucoma-GT aims to treat Glaucoma by the delivery of LentiVector® expressing COX-2 and PGF-2α receptor genes to reduce intraocular pressure in collaboration with the Mayo Clinic, Rochester (USA). The current ongoing pre-clinical studies are focused on obtaining efficacy and safety data in the appropriate models.

Central Nervous System (CNS) programmes

OXB-102, an enhanced and more potent version of **ProSavin®**, uses our LentiVector® gene delivery technology to deliver the genes for three enzymes that are required for dopamine synthesis for the treatment of Parkinson's disease (PD). In January 2014, results from the ProSavin® Phase I/II study in patients with advanced PD, previously reported in April 2012, were published in *The Lancet*. According to the key findings, ProSavin® demonstrated a favourable safety profile and a statistically significant improvement in motor function relative to baseline at six and 12 months post-treatment.

We have been evaluating OXB-102 to ensure the greatest chance of success in future development and commercialisation by increasing the benefit for patients. The efficacy arm of this pre-clinical study successfully completed in the third quarter of 2013, with Positron Emission Tomography (PET) data analysis demonstrating transgene expression and that the expression was greater from OXB-102 relative to ProSavin®. Behavioural and movement analysis also indicated that OXB-102 is at least five times more potent than ProSavin®. These data are encouraging and we are now developing the clinical protocol for the Phase I/II study of OXB-102 which will be partially funded by a £2.2 million grant from the Technology Strategy Board announced in April 2014. The Phase I/II study should commence in 2015.

The pre-clinical development of **MoNuDin®** is supported by the UK Motor Neurone Disease Association (MNDA). Although it is one of the most common adult onset neurodegenerative diseases, motor neurone disease has a high unmet need in relation to treatments. In collaboration with VIB/University of Leuven, we are exploring novel approaches to treating Amyotrophic Lateral Sclerosis (ALS). MoNuDin® uses the LentiVector® technology to deliver a secreted protein (VEGF) that protects motor neurons. The pre-clinical efficacy studies have focused on identifying the optimal version of VEGF and these studies aim to complete this year.

New product opportunities

Based on our experience to date from our in-house gene therapy product developments, and also from our exposure to the rapidly-evolving cell therapy arena through our work with Novartis, we are exploring a number of new product ideas in both gene and cell therapy.

5T4 TUMOUR ANTIGEN PLATFORM

Oxford BioMedica's proprietary 5T4 antigen is a unique protein found on most common types of solid cancer. Given its restricted expression in normal tissues and its high prevalence on the surface of both primary and metastatic cancerous cells, it is potentially a valuable target for novel anti-cancer interventions.

TroVax® is a therapeutic vaccine that stimulates the immune system to destroy cancerous cells expressing the 5T4 tumour antigen. Using a simple blood test, we have identified a biomarker that predicts both the magnitude of the induced 5T4 antibody response and treatment benefit. This enables us to identify those patients who are most likely to benefit from treatment with TroVax®. Led by academic collaborators, three Phase II TroVax® studies are currently underway in the UK in colorectal and ovarian cancers and mesothelioma. All three studies are using the biomarker to select patients for the studies. The studies are expected to conclude during 2015/2016. Our expenditure on these studies is modest and relates primarily to the supply of study material.

The 5T4-targeted antibody therapy, licensed to Pfizer, is an antibody drug conjugate which binds to the 5T4 antigen on the surface of cancerous cells. Once bound, the complex is internalised by the tumour cell, the anti-cancer agent is released from the antibody, and the free drug kills the cancerous cell. In August 2013, we received a US$1 million milestone payment from Pfizer, triggered by the entry of Pfizer's product into human clinical trials. The potential value of this licence is up to US$28 million compromising upfront payments, option fees and milestones.

In 2012 ImaginAb acquired an exclusive worldwide licence for commercialisation of an in vivo 5T4-based imaging diagnostic. Oxford BioMedica could receive up to US$4 million in future development milestone payments in addition to royalties on product sales.

Financial Review

In the first six months of 2014 we have built on the start made in 2013 towards developing a more commercially-oriented business. Whereas in the whole of 2013 we generated £2.6 million of profitable revenues from providing manufacturing and development services to third parties, in the first half of 2014 we have already generated £3.7m of comparable revenues.

The net loss for the six months ended 30 June 2014 was £4.8 million (H1 2013 £5.9 million), with a cash outflow from operating activities and capital expenditure of £5.0 million (H1 2013 £7.3 million). At 30 June 2014, the Company had cash, cash equivalents and financial assets available for sale totalling £18.3 million.

In June 2014 we completed a successful an equity fundraise amounting to £20.1 million net of expenses. We have also in the period drawn down £1.0 million of the £5.3 million loan facility available to us under the Government's Advanced Manufacturing Supply Chain Initiative (AMSCI) announced in September 2013. During the period we also drew down £1.5 million of the £5 million loan facility from Vulpes Life Sciences Fund which was approved by shareholders in January 2014. Following the fundraise, this £1.5 million was fully repaid together with accumulated interest and arrangement fee totalling £169,000, and the loan facility with Vulpes has now been cancelled.

Income statement

Total revenues for the first half of 2014 were £4.7 million, significantly higher than the comparable amount of £2.1 million in H1 2013. £3.6 million of the H1 2014 revenues came from the collaboration with Novartis (H1 2013 £0.6 million) and comprised a mix of process development services and manufacturing. A further £0.9 million (H1 2013 £1.3 million) came from the Sanofi collaboration, about two-thirds from reimbursement of R&D activities and one-third from technical services relating to the transfer of StarGen and UshStat to Sanofi. Reimbursement of R&D expenditure under the 2009 collaboration agreement with Sanofi was subject to a cap of $24 million and we have now reached this limit. £0.3m of this reimbursement remains in deferred income and will be released over the rest of 2014. H1 2013 also included £0.8m recognition of deferred revenue arising from the 2009

$26m upfront payment from Sanofi; this item was fully recognised in 2013 and so does not feature in revenue for the current period.

Cost of sales in H1 2014 was £1.9 million (H1 2013 £0.1 million). The 2014 cost of sales relates almost entirely to the cost of manufacturing vector for Novartis and includes the costs of raw materials, the direct and indirect labour associated with manufacture and quality control, and overheads.

R&D costs were £6.9 million (H1 2013 £6.8 million). These costs include the external costs of the product development projects and the AMSCI project, as well as the internal costs such as manpower, laboratory facilities and consumables, intellectual property costs and overheads which are required to support these activities.

The R&D costs are partially offset by the R&D reimbursement revenues received from Sanofi, described above, and grants received (H1 2014 £396,000; H1 2013 £46,000) in particular from AMSCI and the Technology Strategy Board. Net R&D costs after these offsetting items were £5.9 million (H1 2013 £6.3 million).

Administrative expenses were £1.8 million (H1 2013 £1.9 million). This modest reduction arises from careful management of costs including delayed and non-replacement of staff when vacancies arise.

Finance costs include the £169,000 of interest and arrangement fee which arose from the drawdown of £1.5 million of the £5 million Vulpes loan facility. This facility has been repaid in full and has now been cancelled.

The net tax credit of £0.8 million (H1 2013 £0.8 million) represents amounts recoverable under current legislation for UK R&D tax credits.

The net loss for the period of £4.8 million was £1.1 million lower than the £5.9 million net loss in H1 2013. This is primarily due to the gross margin earned from the Novartis revenues in H1 2014, off set by the absence of the Sanofi deferred revenue from the 2009 $26m upfront payment.

Balance sheet

Non-current assets decreased slightly from £6.7 million at the start of the year to £6.2m at 30 June 2014 as capital expenditure in the period was less than £0.1 million and this was exceeded by depreciation on property, plant and equipment and amortisation on intangible assets.

Current assets have increased substantially from £6.9 million at 31 December 2013 to £23.7 million at 30 June 2014, primarily because of the receipt of £20.1 million net of expenses from the recent fundraise, and the drawdown of £1.0 million of the AMSCI loan facility. Operationally, however, there is a substantial increase in trade receivables which arises from the Novartis collaboration.

Current liabilities at 30 June 2014, £4.1 million, are broadly similar to the £4.2 million at 31 December 2013. Trade and other payables are £0.2 million higher but deferred income is £0.4 million lower.

Non-current liabilities have increased by £1.0 million, reflecting the drawdown of £1.0 million of the AMSCI loan facility. This facility will be used to finance the investment to be made in increasing the capacity and capability of our manufacturing facility. The loan is repayable in instalments between June 2016 and March 2017.

Cash resources

Cash, cash equivalents and available for sale investments increased from £2.2 million at 31 December 2013 to £18.3 million at 30 June 2014. Cash used in operations in the period was £6.6 million (H1 2013 £7.0 million) but this was offset by the receipt of the £1.6 million R&D tax credit due for 2013 such that the net cash used in operations was £5.0 million (2013: £6.7 million). The increase in cash in the period was due to the £20.1 million net fundraise proceeds and the drawdown of £1.0 million of the AMSCI loan facility.

Financial outlook

Having strengthened the Group's balance sheet with the fundraise in H1 2014, we are now aiming in the second half of 2014 to build on our relationship with Novartis and to continue to grow revenues from manufacturing and process development services which will offset the Group's cash burn. We will also start to accelerate the AMSCI programme which will over the next 18-24 months lead to a

significant increase in our manufacturing capabilities. We are also continuing to work on the product development programmes, in particular for RetinoStat®, EncorStat® and OXB-102, the latter two of which are supported by Technology Strategy Board grants.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are those set out in the 2013 Annual Report & Accounts which is available on the Group's website at www.oxfordbiomedica.co.uk. The principal risks and uncertainties remain the same for the second six months of the year.

Related parties

Related party disclosures are given in note 16.

Going concern

As at 30 June 2014 the Group had £18.3 million of cash, cash equivalents and financial assets which, together with probable cash receipts are sufficient to fund the Group's planned activities for the foreseeable future, being not less than 12 months from the date of approval of these financial statements. The directors have therefore adopted the going concern basis in preparing the financial statements.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2014

	Notes	**Six months ended 30 June 2014**	Six months ended 30 June 2013
		£'000	£'000
Revenue		**4,727**	2,111
Cost of sales		**(1,861)**	(103)
Gross profit		**2,866**	2,008
Research & Development costs		**(6,857)**	(6,846)
Administrative expenses		**(1,823)**	(1,945)
Other operating income: grants receivable		**396**	46
Operating loss		**(5,418)**	(6,737)
Finance income		**6**	41
Finance costs		**(212)**	(1)
Loss before tax		**(5,624)**	(6,697)
Taxation		**823**	838
Loss for the period		**(4,801)**	(5,859)
Basic loss and diluted loss per ordinary share		**(0.32p)**	(0.41p)

The notes on pages 12 to 16 form part of this financial information.

OxfordBioMedica

Consolidated Balance Sheet

as at 30 June 2014

	Notes	**30 June 2014 £'000**	31 December 2013 £'000
Assets			
Non-current assets			
Intangible assets		**2,435**	2,633
Property, plant and equipment	6	**3,773**	4,070
		6,208	6,703
Current assets			
Inventory	7	**575**	680
Trade and other receivables	8	**4,143**	2,592
Current tax assets		**720**	1,500
Financial assets: Available for sale investments	9	**3,000**	-
Cash and cash equivalents	9	**15,254**	2,169
		23,692	6,941
Current liabilities			
Trade and other payables	10	**3,212**	2,934
Deferred income	11	**859**	1,280
		4,071	4,214
Net current assets		**19,621**	2,727
Non-current liabilities			
Loans	12	**1000**	-
Provisions	13	**534**	532
		1,534	532
Net assets		**24,295**	8,898
Shareholders' equity			
Share capital	14	**24,946**	14,162
Share premium	14	**139,616**	130,304
Merger reserve		**14,310**	14,310
Other reserves		**(682)**	(682)
Accumulated losses		**(153,895)**	(149,196)
Total equity		**24,295**	8,898

The notes on pages 12 to 16 form part of this financial information.

OxfordBioMedica

Consolidated Statement of Cash Flows

for the six months ended 30 June 2014

	Notes	**Six months ended 30 June 2014 £'000**	Six months ended 30 June 2013 £'000
Cash flows from operating activities			
Cash used in operations	15	**(6,358)**	(6,993)
Tax credit received		**1,603**	289
Interest paid		**(212)**	(1)
Net cash used in operating activities		**(4,967)**	(6,705)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(50)**	(546)
Net maturity of available for sale investments		**(3,000)**	5,105
Interest received		**6**	41
Net cash generated by investing activities		**(3,044)**	4,600
Cash flows from financing activities			
Loans received	12	**1,000**	-
Proceeds from issue of ordinary share capital	14	**21,568**	-
Costs of share issues	14	**(1,472)**	-
Net cash generated by financing activities		**21,096**	-
Net decrease in cash and cash equivalents		**13,085**	(2,105)
Cash and cash equivalents at 1 January		**2,169**	8,956
Cash and cash equivalents at period end	9	**15,254**	6,851

The notes on pages 12 to 16 form part of this financial information.

OxfordBioMedica

Statement of Changes in Equity Attributable to Owners of the Parent

for the six months ended 30 June 2014

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves £'000	Accumulated Losses £'000	Total £'000
At 1 January 2013	**14,162**	**130,304**	**14,310**	**(682)**	**(138,451)**	**19,643**
Six months ended 30 June 2013:						
Loss for the period	-	-	-	-	(5,859)	(5,859)
Total comprehensive expense for the period	-	-	-	-	(5,859)	(5,859)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	231	231
At 30 June 2013	**14,162**	**130,304**	**14,310**	**(682)**	**(144,079)**	**14,015**
Six months ended 31 December 2013:						
Loss for the period	-	-	-	-	(5,237)	(5,237)
Total comprehensive expense for the period	-	-	-	-	(5,237)	(5,237)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	120	120
At 31 December 2013	**14,162**	**130,304**	**14,310**	**(682)**	**(149,196)**	**8,898**
Six months ended 30 June 2014:						
Loss for the period	-	-	-	-	(4,801)	(4,801)
Total comprehensive expense for the period	-	-	-	-	(4,801)	(4,801)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	102	102
Issue of shares excluding options	10,784	10,784	-	-	-	21,568
Costs of shares issues	-	(1,472)	-	-	-	(1,472)
At 30 June 2014	**24,946**	**139,616**	**14,310**	**(682)**	**(153,895)**	**24,295**

The notes on pages 12 to 16 form part of this financial information.

Notes to the Financial Information

1. General information and basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013 were approved by the Board of Directors on 9 April 2014 and have been delivered to the Registrar of Companies. The report of the Auditors on the 2013 accounts was unqualified. Although it contained an emphasis of matter paragraph relating to going concern, it did not contain any statement under section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 August 2014. They have not been audited or reviewed by the Group's external auditors.

The Company is a public limited company incorporated and domiciled in the UK. The Company is listed on the London Stock Exchange.

2. Going concern

As at 30 June 2014 2014 the Group had £18.3 million of cash, cash equivalents and financial assets which, together with probable cash receipts are sufficient to fund the Group’s planned activities for the foreseeable future, being not less than 12 months from the date of the approval of these financial statements.

The Directors have therefore adopted the going concern basis in preparing the financial statements.

3. Accounting policies

The accounting policies applied in these interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in those annual financial statements.

Accounting developments

The Directors have considered all new standards, amendments to standards and interpretations which are mandatory for the first time for the financial year beginning 1 January 2014 and there are none which impact the Group in the period.

Use of estimates and assumptions

In applying the Group’s accounting policies, management is required to make judgements and assumptions concerning the future in a number of areas. Actual results may be different from those estimated using these judgements and assumptions.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were in the same areas as those that applied to the consolidated financial statements for the year ended 31 December 2013. Specifically these are revenue recognition, intangible asset impairment, and going concern.

Seasonality

The Group’s operations are not subject to seasonal fluctuations.

4. Segmental analysis

The chief operating decision-maker has been identified as the Executive Committee, comprising the Executive Directors. The Committee considers that the business comprises a single activity, which is biotechnology research and development, and the related manufacturing. The Committee reviews the Group's financial performance on a whole-company, consolidated basis in order to assess performance and allocate resources. Therefore the segment financial information is the same as that set out in the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows and the consolidated statement of changes in equity.

5. Basic loss and diluted loss per ordinary share

The basic loss per share has been calculated by dividing the loss for the period by the weighted average number of shares of 1,499,563,938 in issue during the six months ended 30 June 2014 (six months ended 30 June 2013: 1,416,149,005).

As the Group is loss-making, there were no potentially-dilutive ordinary shares in either period which would serve to increase the loss per ordinary share. There is therefore no difference between the loss per ordinary share and the diluted loss per ordinary share.

6. Property, plant & equipment

	Freehold property £'000	**Short leasehold improvements £'000**	**Office equipment and computers £'000**	**Laboratory equipment £'000**	**Total £'000**
Cost					
At 1 January 2014	3,225	2,623	621	4,265	10,734
Additions at cost	-	-	9	41	50
At 30 June 2014	3,225	2,623	630	4,306	10,784
Depreciation					
At 1 January 2014	476	2,515	543	3,130	6,664
Charge for the period	111	35	30	171	347
At 30 June 2014	587	2,550	573	3,301	7,011
Net book amount at 30 June 2014	**2,638**	**73**	**57**	**1,005**	**3,773**

7. Inventory

	30 June 2014 £'000	31 December 2013 £'000
Raw materials	**474**	558
Work-in-progress	**101**	122
Inventory	**575**	680

Inventories constitute raw materials held for commercial manufacturing purposes, and work-in-progress inventory related to contractual manufacturing obligations.

8. Trade and other receivables

	30 June 2014 £'000	31 December 2013 £'000
Amounts falling due within one year		
Trade receivables	**3,023**	1,040
Accrued income	**215**	637
Other receivables	**175**	28
Other tax receivable	**140**	285
Other prepayments	**590**	602
Total trade and other receivables	**4,143**	2,592

9. Cash and cash equivalents

	30 June 2014 £'000	31 December 2013 £'000
Cash at bank and in hand	**15,254**	2,169
Total cash and cash equivalents	**15,254**	2,169

At June 2014, in addition to the cash and cash equivalents described above, the Group held bank deposits of £3.0 million with an initial term to maturity of three months, classified as available for sale investments.

10. Trade and other payables - current

	30 June 2014 £'000	31 December 2013 £'000
Trade payables	**788**	1,218
Other taxation and social security	**340**	201
Other accruals	**2,084**	1,515
Total trade and other payables	**3,212**	2,934

11. Deferred income - current

	30 June 2014 £'000	31 December 2013 £'000
Total deferred income	**859**	1,280

Deferred income includes £0.3m (2013: £0.7m) R&D reimbursement from Sanofi under the 2009 Collaboration agreement, and deferred recognition of revenues arising from Novartis and other contracts.

12. Loans

During April 2014 the Group drew down a tranche of £1.0 million of the £5.3 million facility made available under the UK Government's Advanced Manufacturing Supply Chain Initiative. The loan carries interest at 6% per annum and is repayable in equal quarterly instalments between 30 June 2016 and 31 March 2017.

13. Provisions

The provision of £534,000 (2013: £532,000) relates to anticipated costs of restoring the leasehold property in Oxford, UK to its original condition in 2016 at the end of the present leases, discounted to the balance sheet date. The provision will be utilised at the end of the leases if they are not renewed.

14. Share capital and Share premium

On 16 June 2014, the Company completed the raising of £21.6 million gross proceeds by way of a share issue. 1,078,435,914 new ordinary shares of 1p each were issued through a firm placing and open offer at a price of 2.0p each. After expenses, net proceeds were £20.1 million.

At 31 December 2013 and 30 June 2014 the Company had issued share capital of 1,416,149,005 and 2,494,584,919 ordinary 1p shares respectively.

15. Cash flows from operating activities

Reconciliation of loss before tax to net cash used in operations

	Six months ended 30 June 2014 £'000	Six months ended 30 June 2013 £'000
Continuing operations		
Loss before tax	**(5,624)**	(6,697)
Adjustment for:		
Depreciation	**347**	314
Amortisation of intangible assets	**198**	198
Finance income	**(6)**	(41)
Finance expense	**212**	1
Charge in relation to employee share schemes	**102**	231
Changes in working capital:		
Decrease/(increase) in inventories	**105**	(281)
Increase in trade and other receivables	**(1,551)**	(329)
Increase/(decrease) in trade and other payables	**278**	(121)
Decrease in deferred income	**(421)**	(269)
Increase in provisions	**2**	1
Net cash used in operating activities	**(6,358)**	(6,993)

16. Related party transactions

Transactions with Directors and connected persons

On 6 January 2014, shareholders approved a £5 million secured loan facility provided by Vulpes Life Sciences Fund to the Group. Martin Diggle, a non-Executive Director of the Company, is a founder of Vulpes Investment Management which manages Vulpes Life Sciences Fund.

During the first 6 months of 2014, the Group drew down £1.5 million of this facility. This amount was repaid in full, together with accumulated interest and arrangement fee, on 17 June 2014 following the successful fundraise. The loan agreement has now been cancelled.

17. Statement of Directors' responsibilities

The Directors of Oxford BioMedica plc are set out on page 17 of this report.

The condensed consolidated interim financial statements are the responsibility of, and have been prepared by, the Directors. The Directors confirm that they have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material change in related-party transactions described in the last annual report.

By order of the Board

John Dawson
Chief Executive Officer
27 August 2014

OxfordBioMedica

Shareholder Information

Directors Nick Rodgers (Non-executive Chairman) John Dawson (Chief Executive Officer) Tim Watts (Chief Financial Officer and Company Secretary) Peter Nolan (Executive Director and Senior Vice President, Commercial Development) Dr Andrew Heath (Deputy Chairman and Senior Independent Director) Dr Paul Blake (Non-executive director) Martin Diggle (Non-executive director)	**Financial Adviser** WG Partners One Carey Lane London EC2V 8AE **Registrars** Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU **Financial and Corporate Communications** Consilium Strategic Communications 41 Lothbury London EC2R 7HG **Independent Auditors** PricewaterhouseCoopers LLP One Reading Central 23 Forbury Road Reading RG1 3JH **Solicitors** Covington & Burling LLP 265 Strand London WC2R 1BH
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