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1 December 2016

Oxford BioDynamics Plc

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

PLACING

AND

PROPOSED ADMISSION TO TRADING ON AIM

- *A revenue-generating biotechnology company focused on the discovery and development of novel epigenetic biomarkers for use within the pharmaceutical and biotechnology industry*
- *The outsourced biomarker and companion diagnostic markets, which are estimated to be worth in aggregate approximately US\$6 billion, are forecast to grow at 19 per cent. per annum to 2018*
- *The Company's proprietary technology platform, EpiSwitch™, aims to accelerate the drug discovery and development process, improve the success rate of therapeutic product development and take advantage of the increasing importance of personalised medicine*
- *With the increasing demand for biomarker use within the drug development process, significant future revenue opportunities exist for the Company through the multiple licensing of its EpiSwitch™ technology to pharma and biotech companies*
- *The Placing has raised gross proceeds of approximately £20 million*

- *The £7.1m gross proceeds of the Placing allocated to the Company will provide additional resources to fund the expansion of its proprietary biomarker programmes, IP portfolio enhancement and establishment of US representation*

Oxford BioDynamics Plc, a revenue-generating biotechnology company focused on the discovery and development of novel epigenetic biomarkers for use within the pharmaceutical and biotechnology industry, is pleased to announce that it has today published an Admission Document with admission of its ordinary shares of £0.01 each ("**Ordinary Shares**") to trading on the AIM market of the London Stock Exchange plc ("**Admission**") expected to take place on 6 December 2016. The Company has conditionally raised £7.1 million (before expenses) through the issue of 4,498,228 new Ordinary Shares at 158 pence per share through the Placing. An additional 8,160,000 Ordinary Shares have been conditionally sold pursuant to the Placing on behalf of the Selling Shareholders. The Placing was oversubscribed and has raised gross proceeds of approximately £20 million.

Oxford BioDynamics' focus is on the discovery and development of novel epigenetic biomarkers used to accelerate the drug discovery and development process, improve the success rate of therapeutic product development and take advantage of the increasing importance of personalised, targeted medicine.

Against the backdrop of ageing populations, rising healthcare costs and the continued pressure on drug prices, pharmaceutical and biotechnology companies have been searching for ways in which patients can receive improved targeted therapeutics faster, with more successful patient outcomes, at a price that is acceptable to payors.

One fundamental approach to this challenge is via the use of 'biomarkers', which identify those patients who are better suited to a particular drug trial and more likely to respond favourably to treatment. By using novel epigenetic biomarkers, Oxford BioDynamics' proprietary *EpiSwitch*[™] platform enables pharmaceutical and biotechnology companies to answer these key stratification questions regarding their patient groups.

Christian Hoyer Millar, Chief Executive Officer of Oxford BioDynamics, said:

"We are delighted to be joining AIM at such a pivotal time in the Company's development. The successful IPO is another significant milestone for Oxford BioDynamics, and we wouldn't have been able to achieve this without the dedicated hard work of all our employees.

By further strengthening our balance sheet, we are now ideally positioned to accelerate our growth strategy at a time where we believe that there are significant opportunities for the EpiSwitch[™] platform in helping the pharmaceutical industry improve R&D productivity, and the success rate of clinical trials.

I would like to thank all of our existing shareholders for their continued support, and welcome our new shareholders to the Group. As a Company, we move forward with a great deal of enthusiasm and confidence in delivering on our strategy to establish Oxford BioDynamics as the leading epigenetic biomarker platform of choice for the pharma and biotech industry."

Admission Highlights

- The market capitalisation of the Company on Admission is expected to be £136.0 million.
- The Company has conditionally raised £7.1 million (before expenses) pursuant to the Placing, which was oversubscribed. The net proceeds will be used to expand the Company's proprietary biomarker programmes, enhance its intellectual property portfolio, and fund the geographical expansion of the Group's operations through the establishment of US representation.
- Selling Shareholders will receive gross proceeds of approximately £12.9 million pursuant to the Placing.
- On Admission, Christian Hoyer Millar, Dr. Alexandre Akoulitchev and Dr. Aroul Ramadass (and their family members) (together the "**Founders**"), will hold approximately 29.4 per cent. of the issued share capital of the Company.
- Oxford BioDynamics has applied for the admission of its Ordinary Shares to AIM. Trading in the Ordinary Shares, under the ticker symbol "OBD", is expected to commence at 8:00 a.m. on 6 December 2016.
- On Admission, the Company will have 86,098,228 Ordinary Shares in issue, with the Founders, other Directors, certain of the Company's Senior Management, and existing institutional and other shareholders subject to lock-up and orderly market arrangements representing approximately 74.8 per cent. of the Enlarged Issued Share Capital.
- The Company's ISIN is GB00BD5H8572 and its SEDOL is BD5H857.

The Company will also today publish its Admission Document, which will be available on the Company's website from Admission.

The full terms and conditions of the Placing are set out in the Admission Document.

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1. Introduction to Oxford BioDynamics Plc

Oxford BioDynamics was spun-out of the University of Oxford in April 2007 following successful research conducted by Dr. Alexandre Akoulitchev and subsequently Dr. Aroul Ramadass. Oxford BioDynamics is a revenue-generating, biotechnology company focused on the discovery and development of novel epigenetic biomarkers for use within the pharmaceutical and biotechnology industry. The Company's award-winning, proprietary technology platform, *EpiSwitch*[™], aims to accelerate the drug discovery and development process, improve the success rate of therapeutic product development and take advantage of the increasing importance of personalised medicine. To date, the Company has entered into multiple contracts with six of the top ten global pharmaceutical companies (by revenue), which demonstrates the momentum the Company is gaining and highlights the potential value of *EpiSwitch*[™] as an enabling technology platform.

2. Technology overview

As an objective measure of a particular pathological or physiological process, biomarkers are increasingly becoming a significant part of the drug development process by identifying those patients who are better suited to a particular drug trial and more likely to respond favourably to treatment. This in turn facilitates more successful trial outcomes and reduces the overall cost of drug development.

The Company's award-winning, patented technology platform, *EpiSwitch*[™], enables pharmaceutical and biotechnology companies to answer these key stratification questions regarding their patient groups by discovering and validating a novel class of biomarkers known as 'chromosome conformation signatures' ("CCS"). CCS-based biomarkers are derived from studying the so-called epigenetics of an individual and can provide a compelling, stable framework from which changes in the regulation of a gene can be analysed, long before these alterations manifest themselves as obvious abnormalities or defects. As a consequence, they are considered ideal biomarkers of human disease.

Through a simple, non-invasive blood test, *EpiSwitch*[™] is able to identify statistically significant changes to CCS, which can be used rapidly to pinpoint and validate differences across patient groups, enabling their robust stratification on an industrial scale. The informative benefits of CCS as biomarkers, combined with the efficiency of the *EpiSwitch*[™] platform offers significant advantages in developing predictive, prognostic and pharmacodynamics biomarkers in support of drug development programmes over other similar biomarker discovery approaches, which remain problematic from a commercial perspective due to the instability of results (that is, false negatives and positives), prohibitive cost and low throughput.

By contrast, *EpiSwitch*[™] has multiple, immediate applications which can be used on an industrial scale across a number of therapeutic areas and indications, including oncology, autoimmune disease, immunotherapy, metabolic and neurodegenerative conditions. In particular, it can:

- Reduce time to market, failure rates and the costs at every stage of drug discovery, from pre-clinical through to clinical development
- Provide significant insights into disease mechanisms for drug discovery and product re-positioning programmes, as well as for the creation of predictive, diagnostic and prognostic tests
- Enable the personalisation of therapeutics for patients in the context of challenging pricing environments where improved clinical outcomes are critical

3. Business strategy

The Directors believe that the Company has a leading position in the field of practical epigenetic biomarker development and has the opportunity to make *EpiSwitch*[™] the leading industry standard for CCS-based biomarkers for the pharmaceutical and biotechnology industry.

The Directors aim to capitalise on the growth in the outsourced biomarkers and companion diagnostics markets, which continue to be driven by a number of key trends:

- The improved understanding of human biological complexity, leading to a growing acknowledgement of the importance of personalised medicine and the criticality of companion diagnostics utilising biomarkers to support all stages of the drug discovery and development process
- The significant cost, time and experience needed for biomarker discovery requiring specialist, third party outsourced providers of biomarker discovery and development solutions
- The need for pharmaceutical and biotechnology companies to access biomarker discovery approaches which can provide rapid, validated results on an industrial scale

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Admission"	the admission of the Existing Ordinary Shares and the New Ordinary Shares to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with Rule 6 of the rules and guidance for companies whose shares are admitted to trading on AIM, as published by the London Stock Exchange plc from time to time
"Admission Document"	the admission document issued by the Company on 1 December 2016
"AIM"	AIM, the market of that name operated by the London Stock Exchange plc
"Company", "Oxford BioDynamics" or "OBD"	Oxford BioDynamics Plc, a company registered in England and Wales with registered number 06227084
"Directors"	the directors of the Company as at Admission
"Enlarged Share Capital"	the entire issued ordinary share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
"Existing Ordinary Shares"	the 81,600,000 Ordinary Shares in issue immediately prior to Admission, excluding the VCT/EIS New Ordinary Shares
"Founders"	Christian Hoyer Millar, Dr. Alexandre Akoulitchev and Dr. Aroul Ramadass
"Group"	the Company and its subsidiary undertakings as and "member of the Group" shall be construed accordingly
"ISIN"	International Securities Identification Number
"New Ordinary Shares"	up to 4,498,228 new Ordinary Shares to be allotted and issued by the Company in connection with the Placing
"Ordinary Shares"	the ordinary shares of £0.01 each in the share capital of the Company, with ISIN GB00BD5H8572

"Placing"	the proposed placing by Stifel of 4,498,228 New Ordinary Shares and 8,160,000 Existing Ordinary Shares at 158 pence per share to placees
"Selling Shareholders"	those shareholders who have applied, pursuant to a sale transaction being undertaken by such shareholders in conjunction with the Placing, to sell certain of their Ordinary Shares to placees, which includes certain Directors, Dr. Aroul Ramadass, Vulpes Life Sciences Fund and the University of Oxford
"Stifel"	Stifel Nicolaus Europe Limited, a company registered in England and Wales with company number 03719559, which is authorised and regulated in the UK by the FCA

GLOSSARY

Autoimmune	a pathological immune response against the body's own healthy tissue and cells
Biomarker	short for 'biological marker', a naturally occurring molecule, gene or characteristic which provides a measurable indicator or identification of a particular biological state or condition
Chromosome conformation signatures (CCS)	a specific topological biomarker arrangement, which reflects the regulatory aspects of three-dimensional organisation of chromatin, juxtaposition of distant regulatory sites, and regulated expressions in the controlled microenvironment of genes
Companion diagnostics	a diagnostic test using a device to determine if a therapeutic product will benefit the patient and outweigh the risks of its use
Diagnostics	the process of detection and identification of a disease
Epigenetics	the study of changes in cells/organisms caused by the modification of gene expression (that is, changes in phenotype) as a result of external or environmental factors rather than as a result of an alteration of the underlying DNA sequence of genes
<i>EpiSwitch</i>[™]	the Company's proprietary biomarker technology platform
Immunotherapy	a type of treatment to stimulate the body's immune response

Metabolic	the chemical reactions and processes occurring inside the body
Neurodegenerative	damage to the nervous system, particularly in the brain
Oncology	the study and treatment of tumours and cancer
Patient cohorts	groups of patients subjected to stratification analysis
Prognostic	an indicator of the future course of a disease
R&D	research and development
Therapeutic	the treatment of disease by the action of remedial agents
Therapeutics	a treatment, drug or therapy used to treat disease

FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “plans”, “prepares”, “anticipates”, “projects”, “expects”, “intends”, “may”, “will”, “seeks”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company’s and the Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Company’s prospects, growth and strategy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this document. In addition, even if the Company’s results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this document, those results or development may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that the Company makes in this document speak only as of the date of such statement, and none of the Company, the Directors or Stifel undertakes any obligation to update such statements unless required to do so by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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contents of this document. **The responsibilities of Stifel as the Company's nominated adviser and broker solely for the purposes of the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange plc and are not owed to the Company or any Director or to any other person in respect of his decision to invest in the Company in reliance on any parts of this document.**