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Full-year results

Oxford Biodynamics' EpiSwitch platform has won widespread recognition this year, including a fifth immune-oncology (IO) collaboration and involvement in two clinical trials in ALS and prostate cancer. Its YE'19 financials provided further evidence of ongoing revenue generation whilst investing in increased capacity for additional collaborations, particularly in the IO space. As well as the company gaining the Queen's Award for Enterprise, EpiSwitch is being used to prospectively identify and measure biomarkers in a partner's clinical study.

H1'20 financials: Revenues and investment

Oxford Biodynamics' FY'19 revenues were £0.9m (£1.2m in FY'18). Combined with its operating expense of £4.4m (3.8m in FY'18) and cash balance of £15.5m (£16.9m at H1'19), these financials represent the dynamic nature of Oxford Biodynamics' business where collaboration revenues can vary y-o-y and further investment to protect its intellectual property and increase capacity are warranted. The FY'19 operating loss increased to £3.7m from £2.6m in FY'18, although this was tempered at the FY'19 net loss line (£2.8m, vs. £2.0m in FY'18) by financial income (including FX gains) and the R&D tax credit of £0.3m and £0.6m, respectively (£0.2m and £0.5m, respectively in FY'18). The slight share price weakness associated with Oxford Biodynamics' FY'19 financial results announcement may have been a reflection of the increased costs (including a 25% rise in staff costs) and slightly lower FY revenues. However, a company as young as Oxford Biodynamics is still in the investment phase where increased capacity, and the business development acumen to sell it, are required for growth. Oxford Biodynamics' EpiSwitch platform has performed well in differentiating those patients unlikely to respond to any IO treatment from those who are likely to respond to a specific drug treatment. This could help partners stratify patients in clinical trials and then once a drug has been approved, with a companion diagnostic.

Move into immune-oncology (IO)

In recent years, using cancer patients' immune system to help fight their disease has been a significant medical advance with anti-programmed cell death-1 monoclonal antibodies becoming both blockbuster products, and an integral part of the treatment of melanoma, lung, and other cancers. However, not all patients respond to these drugs equally and some patients relapse on treatment. Oxford Biodynamics' EpiSwitch platform is being used in five IO collaborations to explore and extend these therapies.

The new paradigm in drug discovery and development

After decades of the impact of modern drug discovery on medicine, the easy-to-discover drugs have largely been found and are generic. This means that new drugs and indications will be applicable to smaller (orphan), difficult-to-treat patient populations that are hard to define, but high value. Oxford Biodynamics' EpiSwitch biomarker discovery platform has the potential to enrich clinical trial populations for response and personalise approved therapy.

Company Data

EPIC	OBD
Price (last close)	105p
52 week Hi/Lo	214p / 85p
Market cap	£97m
Proforma cash Sep. '19	£15.5m
Avg. daily volume	26,095

Share Price, p



Source: ADVFN

Description

Oxford Biodynamics plc is a revenue-generating AIM-listed biotechnology company discovering and developing epigenetic markers based on their 3D structure. Its proprietary technology platform, EpiSwitch, is covered by 13 patent families and aims to discover biomarker signatures that are disease prognostic, diagnostic and response stratifying which could accelerate drug discovery and development, increase success rates and enable personalised medicine. EpiSwitch can be used to reduce the time to market, the failure rate and the costs of pharmaceutical discovery and development providing valuable insights between health and disease, and to differentiate non-responding patients from those that could respond to a specific therapy.

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