THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares, you should send this document, and the enclosed Form of Proxy (and reply-paid envelope) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document should not be forwarded to or transmitted in or into the United States or any of the other Excluded Territories where doing so may constitute a violation of local securities laws. The distribution of this document and the Form of Proxy into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document, which comprises a (i) circular prepared in accordance with the Listing Rules of the Financial Conduct Authority ("FCA") made under Section 73A of FSMA; and (ii) a prospectus relating to Oxford BioMedica prepared in accordance with the Prospectus Rules made under section 73A of FSMA, has been approved as such by the FCA in accordance with section 85 of FSMA. A copy of this document has been filed with the FCA in accordance with paragraph 3.2.1 of the Prospectus Rules. This document has been made available to the public in accordance with paragraph 3.2.1 of the Prospectus Rules by the same being made available, free of charge, at Oxford BioMedica's registered office, details of which are set out on page 42 of this document.

This document, including any documents incorporated by reference, should be read as a whole. Your attention is drawn to the letter from the Chairman of Oxford BioMedica set out on pages 45 to 55 (inclusive) of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Shareholders and prospective investors should review the Risk Factors set out on pages 17 to 37 (inclusive) of this document for a discussion of certain risk factors that should be considered when deciding what action to take in relation to the Fundraising and deciding whether or not to acquire New Ordinary Shares.

OXFORD BIOMEDICA plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 3252665)

Placing and Subscription of 383,371,665 New Ordinary Shares
at 3 pence per share,

Approval of Related Party Transaction
and
Notice of General Meeting

Sponsor, Global Co-ordinator and Bookrunner
Jefferies

UK Placement Agents	*US Placement Agent*
WG Partners LLP and Scott Harris UK Limited	**Roth Capital Partners, LLC**

The Existing Ordinary Shares are listed on the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. Applications have been or will be made to the Financial Conduct Authority and to the London Stock Exchange for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 4 October 2016.

Jefferies International Limited ("Jefferies"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Oxford BioMedica as Sponsor, Global Co-ordinator and Bookrunner and no-one else in relation to the Fundraising and Admission and, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising or Admission, and will not be responsible to anyone other than Oxford BioMedica for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the Fundraising, Admission or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by FSMA or

the regulatory regime established thereunder, Jefferies accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by, on behalf of it, Oxford BioMedica, the Directors or any other person, in connection with Oxford BioMedica, the Fundraising or Admission. Jefferies and its directors, officers, employees, advisors and affiliates each accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

WG Partners LLP ("WG Partners"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Oxford BioMedica as UK Placement Agent and no-one else in relation to the Fundraising and Admission, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising or Admission, and will not be responsible to anyone other than Oxford BioMedica for providing the protections afforded to clients of WG Partners nor for providing advice in relation to the Fundraising or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities, if any, which may be imposed on WG Partners by FSMA or the regulatory regime established thereunder, WG Partners accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by, on behalf of it, Oxford BioMedica, the Directors or any other person, in connection with Oxford BioMedica, the Fundraising or Admission. WG Partners and its directors, officers, employees, advisors and affiliates each accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

Scott Harris UK Limited ("Scott Harris"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Oxford BioMedica as UK Placement Agent and no-one else in relation to the Fundraising and Admission, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising or Admission, and will not be responsible to anyone other than Oxford BioMedica for providing the protections afforded to clients of Scott Harris nor for providing advice in relation to the Fundraising or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities, if any, which may be imposed on Scott Harris by FSMA or the regulatory regime established thereunder, Scott Harris accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by, on behalf of it, Oxford BioMedica, the Directors or any other person, in connection with Oxford BioMedica, the Fundraising or Admission. Scott Harris and its directors, officers, employees, advisors and affiliates each accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

Roth Capital Partners, LLC, ("Roth Capital") which is authorised in the US by the Financial Industry Regulatory Authority ("FINRA"), is acting exclusively for Oxford BioMedica as US Placement Agent and no-one else in relation to the Fundraising and Admission, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising or Admission and will not be responsible to anyone other than Oxford BioMedica for providing the protections afforded to clients of Roth Capital nor for providing advice in relation to the Fundraising or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities, if any, which may be imposed on Roth Capital by FINRA or any other US regulatory authority, Roth Capital accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by, or on behalf of, it Oxford BioMedica, the Directors or any other person, in connection with Oxford BioMedica, the Fundraising or Admission. Roth Capital and its directors, officers, employees, advisors and affiliates each accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

The Fundraising is conditional, *inter alia*, on the passing of the Resolutions, Admission becoming effective by not later than 8.00 a.m. on 4 October 2016, or such later time and/or date as the

Company and Jefferies may agree being not later than 8.00 a.m. on 31 October 2016), and not having been terminated in accordance with its terms prior to Admission. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid on or in respect of such Existing Ordinary Shares after Admission.

Notice of the General Meeting of Oxford BioMedica, to be held at 10.00 a.m. on 29 September 2016 at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH is set out at the end of this document.

Whether or not you intend to be present at the General Meeting, please complete the Form of Proxy enclosed with this document in accordance with the instructions printed on the Form of Proxy and return it to the Company's Registrar either by post at Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or electronically via www.capitashareportal.com. by no later than 10.00 a.m. on 27 September 2016 in order to be valid. Completion and return of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

The New Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States or any of the other Excluded Territories and, subject to certain exceptions, the New Ordinary Shares may not be offered or sold in the Excluded Territories or to, or for the account or benefit of, any resident of the Excluded Territories. There will be no public offer of securities in the Excluded Territories.

Copies of this document are available free of charge from Oxford BioMedica plc, Windrush Court, Transport Way, Oxford OX4 6LT, United Kingdom.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

NOTICE TO OVERSEAS INVESTORS

The New Ordinary Shares have not been and, subject to certain exceptions, will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories. Neither this document, nor the Form of Proxy is or constitutes an invitation or offer to sell or the solicitation of an invitation or an offer to buy New Ordinary Shares in any Excluded Territory or any other jurisdiction in which such offer or solicitation is unlawful. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, neither this document nor the Form of Proxy may or will be distributed in or into any Excluded Territory.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under any securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may not be offered, sold, taken up, exercised, resold, transferred delivered or distributed, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S. As part of the Subscription, certain of the New Ordinary Shares may be offered and sold in the United States in a private placement by the Company pursuant to Section 4(a)(2) of the Securities Act.

None of the New Ordinary Shares, the Form of Proxy, this document or any other document connected with the Fundraising have been or will be approved or disapproved by the United States Securities and Exchange Commission ("SEC") any securities commission of any state or other jurisdiction in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of

the Form of Proxy, this document or any other document connected with the Fundraising. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Fundraising, an offer, sale or transfer of the New Ordinary Shares within the United States by any dealer (whether or not participating in the Fundraising) may violate the registration requirements of the Securities Act.

Any production or distribution of this document in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the New Ordinary Shares is prohibited, except to the extent such information is available publicly. By accepting delivery of this document, each offeree of the New Ordinary Shares agrees to the foregoing.

No action has been taken by the Company or by Jefferies, WG Partners, Scott Harris or Roth Capital that would permit an offer of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material or the Form of Proxy in any jurisdiction where action for that purpose is required, other than the United Kingdom. None of the Company, Jefferies, WG Partners, Scott Harris, Roth Capital or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of New Ordinary Shares regarding the legality of an investment in the Fundraising or the New Ordinary Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer.

THE CONTENTS OF THIS DOCUMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. ANY PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN LEGAL, FINANCIAL OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

CONTENTS

Summary Information

Summaries are made up of disclosure requirements known as ''Elements''. These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ''not applicable''.

Shareholders should read the whole of this document and not just rely on the summarised information below.

Section A – Introduction and warnings		
A.1	**Warning**	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of a Member State of the European Union, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Consent**	Not applicable – no consent has been given by the Company or any person responsible for drawing up this document for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer and any guarantor		
B.1	**Legal and Commercial Name**	The issuer's legal and commercial name is Oxford BioMedica plc.
B.2	**Domicile/Legal Form/ Legislation/Country of Incorporation**	Oxford BioMedica is incorporated as a private company limited by shares and registered in England and Wales under number 3252665 with the name Pinco 838 Limited. The Company was re-registered as a public company on 30 October 1996, on which date the name of the Company was changed to Oxford BioMedica plc. The principal legislation under which the Company operates and under which the Ordinary Shares were and are created is the Companies Act (including the Companies Act 1985) and the regulations made thereunder. The Company is subject to the Takeover Code.
B.3	**Key factors of issuer's current operations and principal activities**	***Revenue and other income from partnerships and other commercial relationships.*** The Group's revenue and other income has been and will be dependent on collaborative and other commercial relationships it has entered into with partners. The amount and timing of any these payments is uncertain and in many instances is subject to the control of, and timing of activities by, the Group's partners. The Group has entered into collaborations and other commercial arrangements with Novartis, Immune Design and Sanofi, for the bioprocessing, process development, development and commercialisation of certain product candidates. The timing of any up-front, milestone, performance, royalty or other payments

		that may arise pursuant to these or other relationships the Group may have or enter into will have an impact on the Group's future results. ***Levels of research and development activities.*** As part of a strategic review in the first half of 2016 the Group has decided to limit its R&D activities to using its LentiVector® platform (a) to identify potential gene and cell therapy candidates and develop to the end of pre-clinical studies, and (b) to continue to develop and improve the LentiVector® platform. These costs may fluctuate depending on the level of activity. In-house expenditure on personnel-related costs and facilities tends to be relatively steady whilst the external expenditure and any internal expenditure on bioprocessing material for studies can vary from year to year depending on the number of projects that are underway at any time and also on the stage of each project. ***Bioprocessing and process development services for partners.*** The Group has been investing in developing its lentiviral vector bioprocessing and process development capabilities and expanding its capacity. The Group has recently completed scaling up its production and other capabilities to perform under its three-year agreement with Novartis, for which the Group is the sole supplier of lentiviral vector of CTL019 clinical study material and a key partner for vector bioprocess development, as well as other potential partners in this area. During 2014, 2015 and the first half of 2016, the Group has incurred approximately £26 million in expanding its bioprocessing and laboratory facilities. The state-of-the-art facilities in Oxford are now completely developed and operational. Also, during 2015, the Group increased its employee numbers and other infrastructure to ensure that it would be ready to fully operate the new facilities as soon as they became available for use in 2016. As a result, in 2015, as well as in the first part of 2016, the Group has incurred higher personnel costs in advance of revenue-generating activities enabled by the capacity expansion. The new Yarnton bioprocessing suite came on line at the start of 2016 and thereby doubled the Group's bioprocessing capacity compared with 2015. A second bioprocessing suite located in the Harrow House facility was approved by the MHRA in July 2016. This should lead to a significant increase in bioprocessing revenue in 2016 without a proportionate increase in non-materials costs as the employees required for production operations in the new Yarnton suites have already been recruited and trained. The Group also anticipates that a portion of the process development milestones which may be earned under the Novartis contracts will be recognised during 2016. As bioprocessing revenue grows, the cost of sales will do so as well. From 2013 onwards, cost of sales include the costs arising from the Group's bioprocessing of product for partners, principally Novartis. ***Receipt of grant funding.*** A small part of the Group's income is comprised of government grants that support the Group's research efforts in defined R&D projects. The grants are from Innovate UK and AMSCI. The Company is not reliant on any grants from the European Union. The Group's grants generally provide for reimbursement of the Group's approved expenses incurred as defined in various grants up to certain limits. In addition, if the Group's continued growth means that, in the future, it no longer qualifies as an SME, the number of grants it is eligible for may decrease and grant funding may become a less important source of funding. The Group's ability to continue to obtain grants to help offset some of its R&D costs may have an impact on its future results of operations.
B.4a	**Significant trends**	Gene and cell therapy has been a high-profile area for research and development ("R&D") over the last 20 years and it potentially offers major opportunities for the treatment of a wide range of diseases. Gene and cell

		therapy is the treatment of disease by delivering therapeutic DNA into a patient's cells. The therapeutic DNA can be used to replace or correct a faulty gene, or to encode a therapeutic protein to provide treatment. The approach offers the prospect of long-term and possibly permanent treatment or cure for many common and rare diseases which are currently poorly treated. Inevitably, such a fundamental new technology has taken time to evolve and safety concerns have been paramount. However, in the last few years, confidence in the ultimate success of gene and cell therapy has increased with a significant increase in investment activity. Indeed, the gene and cell therapy field is predicted to grow into a multi-billion dollar sector over the next five to ten years as products in late stage development reach the market (Clive Glover, GE Healthcare ''Sales of cell and gene therapy will reach $10 billion by 2021'', October 2015). The industry expects several products within the sector, especially *ex vivo* cell therapies such as Novartis' CTL019, to be launched within the next few years. There are multiple participants active in the *ex vivo* cell therapy space, particularly in the immune oncology sector, with large pharmaceutical and biotechnology companies developing CAR-T, TCR and NK cells. Several of these *ex vivo* therapies may require lentiviral vector development, bioprocessing and IP, which the Directors believe Oxford BioMedica is well placed to provide. In 2012, the European authorities approved Glybera, a gene therapy for the treatment of hyperlipoproteinemia Type 1, a very rare condition. Glybera is the first gene therapy product to have been approved in Europe and in May 2016 GlaxoSmithKline received approval for Strimvelis for treatment of ADA-SCID in Europe. As yet, no gene therapies have been approved in the US. Since 2013 there have been a significant number of financing and product development transactions involving companies specialising in gene and cell therapies, including Oxford BioMedica. The Directors believe that Oxford BioMedica is well placed to benefit from the evolution in gene and cell therapy. The Company has a proprietary integrated LentiVector® gene delivery platform, developed over twenty years, that can be used for both *in vivo* and *ex vivo* products for the Company's in-house programmes and for partners. The Company has been developing three priority in-house programmes in Parkinson's Disease, corneal graft rejection and cancer. Two further ocular gene therapy products have already been licensed to Sanofi and the Company has an economic interest in a number of partners' development products. The Board recognises that the Phase I/II clinical studies for these programmes would require substantial investment over the next two to three years and so it has decided that these programmes should be out-licensed or spun out in order to optimise both the development of the products and the use of the Group's financial resources. The Company's bioprocessing capability, and its extensive development expertise in this area, also provides commercial opportunities to generate revenues from partners who require these specialist services. Revenues from the Company's intellectual property estate are also possible. As well as Sanofi's licence agreement with Oxford BioMedica for SAR422459 and SAR421869, GlaxoSmithKline has taken an option for up to six licences under Oxford BioMedica's LentiVector® technology for orphan indications and, in October 2015, GlaxoSmithKline exercised this option in respect of two of these product candidates. In March 2016, the Group signed a new and expanded collaboration with Immune Design, as well as a non-exclusive, royalty-bearing, intellectual property licence with the Company. In June 2016, the Group entered into a R&D collaboration with Green Cross LabCell to develop gene-modified natural killer cell therapeutics for the treatment of cancer, from which the Company would

		expect a lead gene-modified NK cell therapeutic to emerge from the research by the end of 2018, and also in June 2016, the Group signed a new non-exclusive licence under Oxford BioMedica's LentiVector® platform technology patents for manufacturing and development services with MolMed S.pA.
B.5	**Group Structure**	Oxford BioMedica plc is the parent company of the Oxford BioMedica Group. The Company has one principal subsidiary undertaking Oxford BioMedica (UK) Limited. The capital of Oxford BioMedica (UK) Limited is directly wholly owned by Oxford BioMedica.
B.6	**Notifiable interests**	As at 12 September 2016, being the last practicable date prior to the publication of this document, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors and Senior Managers and their connected persons in the share capital of the Company are as follows:

Name of Director/Senior Manager	Number of Existing Ordinary Shares beneficially held at present	Per cent. of Existing Ordinary Shares beneficially held at present	Number of Ordinary Shares beneficially held immediately following Admission	Per cent. of Ordinary Shares beneficially held immediately following Admission
Lorenzo Tallarigo	354,847	0.01%	1,354,847	0.04%
John Dawson	3,259,019	0.12%	3,925,685	0.13%
Tim Watts	6,395,124	0.24%	7,395,124	0.24%
Peter Nolan	1,401,968	0.05%	1,668,634	0.05%
Dr. Andrew Heath	1,300,000	0.05%	1,500,000	0.05%
Martin Diggle(1)	475,850,000	17.60%	575,850,000	18.65%
Stuart Henderson	500	0.00%	333,833	0.01%
Kyriacos Mitrophanous	150,000	0.01%	150,000	0.00%
James Miskin	0	0.00%	0	0.00%

(1) Includes interests of Vulpes Life Sciences Fund, Vulpes Testudo Fund and other parties connected to Martin Diggle.

As at 12 September 2016, being the latest practicable date prior to the publication of this document, in addition to those persons described above, the Company is aware of the following persons who will be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company immediately following the proposals described in this document:

Shareholder	Number of Existing Ordinary Shares held	Per cent. of Existing Ordinary Shares held	Number of Ordinary Shares held immediately following Admission	Per cent. of issued Ordinary Shares held immediately following Admission
M&G Investment Management Limited	489,236,701	18.1%	559,236,701	18.11%
Vulpes Life Sciences Fund	475,850,000	17.6%	542,516,667*	17.57%
Aviva Investors	274,619,200	10.2%	285,619,200	9.25%
Joy Group Limited	235,000,000	8.7%	235,000,000	7.61%
Hargreaves Landsdown Asset Mgmt	105,905,125	3.9%	105,905,125	3.43%
TD Direct Investing	90,100,507	3.3%	90,100,507	2.92%

* Vulpes Testudo Fund have subscribed for 33,333,333 New Ordinary Shares.

The Company's major Shareholders do not have different voting rights.

There are no controlling interests in the Company.

B.7	**Historical financial information**	The selected financial information set out below has been extracted without material adjustment from the audited report and accounts of the Group for the year ended 31 December 2013, 31 December 2014 and 31 December 2015 and the unaudited interim financial statements for the six months ended 30 June 2015 and 30 June 2016 prepared under IFRS. **Audited Year ended 31 December 2013 / Audited Year ended 31 December 2014 / Audited Year ended 31 December 2015 / Unaudited six months ended 30 June 2015 / Unaudited six months ended 30 June 2016** **£'000 / £'000 / £'000 / £'000 / £'000** Revenue: 5,375 / 13,618 / 15,909 / 4,328 / 12,485 Operating Loss: (12,823) / (10,613) / (14,083) / (8,272) / (6,942) Loss per Ordinary Share (basic and adjusted): (0.79p) / (0.43p) / (0.51p) / (0.24p) / (0.35p) Net assets: 8,898 / 23,039 / 10,894 / 17,255 / 9,281 Net current assets: 2,727 / 13,524 / 12,543 / 17,887 / 10,492 Cash resources: 2,169 / 14,195 / 9,355 / 15,116 / 11,910 Shareholders' funds: 8,898 / 23,039 / 10,894 / 17,255 / 9,281 The Group's revenue since 2013 has mainly been derived from process development and bioprocessing services provided to third parties, and in particular Novartis. The increase in revenues in 2015 compared to 2014 was due to increase in bioprocessing and process development with partners, mainly Novartis. The substantial increase in revenues in 2014 to £13.6 million from £5.4 million in 2013 was mainly due to due to bioprocessing and process development income from Novartis under the 2014 contract. Operating loss increased in 2015 compared to 2014 mainly as result of the increase in R&D and bioprocessing costs and administrative expenses due in large part to the build up in 2015 of resources ahead of the additional capacity expected to become available in 2016. Other than the £7.5 million (net) placing in February 2016, there has been no significant change in the financial condition and operating results of the Group during the period covered by the historical financial information above and since 30 June 2016, being the date of the Group's latest unaudited financial statements.
B.8	**Unaudited *pro forma* financial information**	Not applicable – there is no *pro forma* financial information in this document.
B.9	**Profit forecast/estimates**	Not applicable – there are no profit forecasts contained in this document.
B.10	**Qualifications in the audit report**	Not applicable – there are no qualifications in the audit reports on the historical financial information. In the audit report on the audited financial statements for the year ended 31 December 2015, the auditors included an emphasis of matter statement regarding the Group's and the Company's ability to continue as a going concern. At 31 December 2015, the Group held cash, including known receivables and future funding available under the Oberland Facility, that at that time the Directors believed was sufficient to support the level of activities into the third quarter of 2016. In the emphasis of matter statement, the auditors commented that the Directors concluded that they would be able to secure sufficient financing for the Group and Company to continue their activities for the foreseeable future, being not less than 12 months from the date of approval of those financial statements, and therefore the audited financial statements for the year ended 31 December 2015 were prepared on a going concern basis.

		The financial statements did not include the adjustments that would result if the Group was unable to continue as a going concern. Since then, the Group has received a number of firm purchase orders for bioprocessing batches of lentiviral vector later this year and in the first half of 2017 which have extended the period until towards the end of the fourth quarter of 2016.
B.11	**Working capital**	Not applicable – the Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Placing and Subscription, the Group has sufficient working capital for its present requirements, that is for at least 12 months following the publication of this document.
	Section C – Securities	
C.1	**Type and class of securities being offered**	The Placing Shares and Subscription Shares will be New Ordinary Shares in the Company whose ISIN will be GB0006648157.
C.2	**Currency**	The New Ordinary Shares will be denominated in pounds sterling.
C.3	**Number of shares**	The Company has 2,703,806,022 fully paid Ordinary Shares of 1 pence each in issue. The Company will have 3,087,177,687 fully paid Ordinary Shares of 1 pence each in issue following the Placing and Subscription. The Company has no partly paid Ordinary Shares in issue.
C.4	**Share rights**	The following is a summary of the rights under the Articles which attach to Existing Ordinary Shares. i. Voting rights Subject to any special rights or restrictions as to voting which are given to any shares (as to which there are none at present), the Articles state that every qualifying person (being a member, authorised representative in the case of a corporate member, or proxy) present at a general meeting has one vote on a show of hands, and on a poll every Shareholder present in person or by proxy has one vote for every share of which he is the holder. Shareholders may appoint one or more proxies (or authorised representatives in the case of a corporate member) but on a vote on a show of hands if a person is appointed as proxy for two or more Shareholders he shall have one vote, unless those Shareholders instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution being voted on. If a Shareholder present is also a proxy for one or more other Shareholders he shall have one vote only. In the case of joint holders, the vote of the person whose name stands first in the register of members is accepted to the exclusion of any vote tendered by any other joint holder. Unless the Directors otherwise determine, a Shareholder is not entitled to be present or to vote, either personally or by proxy, at any general or class meeting while any amount of money relating to his shares remains outstanding. ii. Voting by Proxy To appoint a proxy, the Shareholder must deliver a validly executed instrument appointing a proxy (a ''Proxy Notice'') to the registered office of the Company, or to any other place specified in the notice of meeting or in any document sent with the notice within the specified time frame. The time frame for delivery is 48 hours before a meeting or adjourned meeting or 24 hours before a poll is to be taken if the poll is taken more than 48 hours after the day of the meeting or adjourned meeting. A Proxy Notice will expire 12 months from its date of execution or delivery by electronic communication (such as fax or e-mail). A Proxy Notice can be in any form

		which the Directors may approve including the appointment of a proxy by means of an electronic communication in the form of an uncertificated proxy instruction in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors. Delivery of a Proxy Notice does not preclude a Shareholder from attending, speaking or voting in person at the meeting or poll concerned. iii. Dividends Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Company may, by ordinary resolution, declare dividends to be paid to the Shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Directors. Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Directors may pay interim dividends of such amounts and on such dates and in respect of such periods as the Directors think fit. Except as otherwise provided by the rights attached to the shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in which the dividend is paid. No dividend will be paid unless the Company has profits available for that purpose in accordance with the provisions of the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency the Directors agree with Shareholders. Directors may retain any dividend (or part of a dividend) or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient. The Board may, in respect of any dividend declared or paid on or before the date of the fifth annual general meeting of the Company after 27 April 2010, and thereafter with the sanction of an ordinary resolution of the Company, offer Shareholders the right to elect to receive Ordinary Shares instead of some or all of their cash dividend. The Company may cease to send any means of payment for any dividend payable on any shares if in respect of at least two consecutive dividends payable on those shares the means of payment has failed but the Company shall recommence sending payments in respect of dividends if the holder of the relevant shares requests such recommencement in writing. Any dividend which remains unclaimed after a period of 12 years from the date on which such dividend is payable shall be forfeited and returned to the Company.
C.5	**Restrictions**	The Existing Ordinary Shares are, and the New Ordinary Shares will be freely transferable and there are no restrictions on transfer set out in the constitutional documents of the Company.

C.6	**Admission**	Subject to Shareholder approval, application will be made to the UK Listing Authority and the London Stock Exchange for all of the New Ordinary Shares to be issued pursuant to the Placing and Subscription to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for list securities. These New Ordinary Shares will not be listed on any other Regulated Market.
C.7	**Dividend policy**	It is, at present, intended that no dividends will be paid by Oxford BioMedica.
	Section D – Risks	
D.1	**Key risks specific to the issuer or its industry**	● If any of the Resolutions in the Notice of General Meeting are not approved the Placing and Subscription will not proceed. In these circumstances the Directors are of the opinion that the Group will have sufficient finances to only fund the business until towards the end of the fourth quarter of 2016. If the Placing and Subscription is unsuccessful, the Group will need to implement cost-saving measures that will severely constrain the Group's ability to implement its business strategy. In the event that any of the Resolutions are not passed and the Placing and Subscription does not proceed, the Directors do not believe that such cost-saving measures will successfully make up the cash shortfall to allow the Company to continue as a going concern significantly beyond December 2016. If the Company were to be unsuccessful in pursuing alternative courses of action by the fourth quarter of 2016, the Directors will be obliged to cease operations, the consequences of which could include administration or receivership, or liquidation or other insolvency proceedings. In such circumstances, Shareholders could lose all or a substantial amount of the value of their investment in the Company. Accordingly, it is important that Shareholders vote in favour of all of the Resolutions in order that the Placing and Subscription may proceed. ● The Group continues to develop its bioprocessing technology and absorbs cash in doing so. Revenues from the sale of development and bioprocessing services currently cover only a portion of the Group's cost base. In addition, the Group does not generate any revenue from commercial sales of its product candidates and may not be able to commercialise, out-licence or spin out any of its current or future product candidates. The Group may not become profitable even if it succeeds in growing revenue from its development and bioprocessing services and from the commercialisation, out-licensing or spin out of its product candidates. Because of the numerous risks and uncertainties associated with product development and commercialisation and expansion of development and bioprocessing services, the Group is unable to predict the extent of any future losses or when it will become profitable, if at all. ● The Group has entered into collaborations with multiple partners, including Novartis and Sanofi, and it intends to enter into additional collaborations in the future potentially including out-license and spin out arrangements. Where the Group has out-licensed or spun out its product candidates or technologies, the Group generally has no control over the amount and timing of resources that the Group's collaborators dedicate to the development or commercialisation of their product candidates. The Group's collaborators may abandon research or development projects and terminate applicable agreements. If the Group is unable to continue to generate further

		income under the collaboration agreement with Novartis or potential future agreements with third parties would have a materially adverse effect on its business, financial condition and results of operations. The Group would need to reduce its cost base in line with customer demand by mothballing one or more of its GMP clean room suites. ● As a consequence of the complexity of bioprocessing viral vectors, the Group may encounter problems achieving production of consistently adequate quantities of clinical-grade materials that meet MHRA, FDA or other applicable standards or specifications with acceptable production yields and costs. Any problems in the Group's bioprocessing processes, including the scaling up of such processes, or facilities could delay product development, clinical trials and launches as well as limit the Group's collaboration opportunities or ability to deliver on customer demand, all of which may have a material adverse effect on the Group's business, financial outlook and results of operations. ● There can be no guarantee that the Group's product candidates and technologies are or will be adequately protected by intellectual property. Furthermore, if the Group's patents are infringed or challenged, the enforcement and/or defence of such rights could involve substantial costs and an uncertain outcome.
D.3	**Key information on the risks specific to the securities**	● Oxford BioMedica's share price may be volatile and affected by a large number of factors, some outside the Company's control. The share prices of publicly traded biotechnology and emerging pharmaceutical companies such as Oxford BioMedica can be highly volatile. ● The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares. ● Following the issue of the New Ordinary Shares to be allotted pursuant to the Placing and Subscription, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.
	Section E – Offer	
E.1	**Net proceeds and total expenses**	The net proceeds of the Placing and Subscription will be approximately £10 million, after estimated expenses of approximately £1.5 million. No expenses will be charged to subscribers of New Ordinary Shares in connection with the Placing and Subscription by the Company.
E.2	**Reasons for the offer, use of proceeds and estimated net amount of proceeds**	If any of the Resolutions in the Notice of General Meeting are not approved the Placing and Subscription will not proceed. In these circumstances the Directors are of the opinion that the Group will have sufficient finances to only fund the business until towards the end of the fourth quarter of 2016. If the Placing and Subscription is unsuccessful, the Group will need to implement cost-saving measures that will severely constrain the Group's ability to implement its business strategy. In the event that any of the Resolutions are not passed and the Placing and Subscription does not proceed, the Directors do not believe that such cost-saving measures will successfully make up the cash shortfall to allow the Company to continue as a going concern significantly beyond December 2016. If the Company were to be unsuccessful in pursuing alternative courses of action by the fourth quarter of 2016, the Directors will be obliged to cease operations, the consequences of which could include administration or receivership, or liquidation or other insolvency proceedings. In such circumstances, Shareholders could lose all or a

		substantial amount of the value of their investment in the Company. Accordingly, it is important that Shareholders vote in favour of all of the Resolutions in order that the Placing and Subscription may proceed. The Company intends to use the net proceeds of £10 million raised pursuant to the Placing and Subscription as follows: **Use** — **approx. million** Funding discovery and pre-clinical projects — £5 Funding the development of LentiVector® platform — £3 Increase in working capital — £2 Total — £10 Expenses of the Placing and Subscription are expected to be approximately £1.5 million.
E.3	**Terms and conditions of the Placing and Subscription**	Oxford BioMedica intends to issue 383,371,665 New Ordinary Shares through a Placing and Subscription at 3 pence per New Ordinary Share to raise gross proceeds of £11.5 million. The Offer Price of 3 pence per New Ordinary Share represents a 28.6 per cent. discount to the Closing Price of an Existing Ordinary Share of 4.2 pence on 12 September 2016 (being the latest practicable date prior to the announcement of the Placing and Subscription) and Shareholders should note that following the issue of the New Ordinary Shares to be allotted pursuant to the Placing and Subscription, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company. ***Placing*** Jefferies, WG Partners and Scott Harris, as agents for Oxford BioMedica, have conditionally placed, on terms set out in the Placing Agreement, the Placing Shares at the Offer Price with existing Shareholders and other institutional investors outside the United States, representing gross proceeds of £5.5 million. The Placing is underwritten. ***Subscription*** Pursuant to Subscription Agreements with the Company, Subscribers have conditionally subscribed for the Subscription Shares at the Offer Price representing gross proceeds of £6.0 million. The Subscription is not underwritten.
E.4	**Material interests**	Not applicable – there are no interests (including conflicts of interest) which are material to the issue.
E.5	**Selling Shareholder/ Lock-up arrangements**	There are no entities or persons offering to sell the securities of Oxford BioMedica. The Directors have entered into Lock-up Agreements with the Company and Jefferies, pursuant to which they have undertaken, for a period of 180 days following Admission, not to issue, offer, pledge, sell or grant options, rights or warrants in respect of, contract to issue, pledge or sell, otherwise dispose of, directly or indirectly, any interest they may have in Ordinary Shares or any securities of the Company, including but not limited to, any securities that are exchangeable for, or that represent the right to receive Ordinary Shares, except for customary exceptions, without the prior consent of Jefferies (such consent not to be unreasonably withheld or delayed).

E.6	**Dilution**	Upon Admission, and assuming the passing of all of the Resolutions and no further exercise of options under the Share Schemes, the Enlarged Share Capital is expected to be 3,087,177,687 Ordinary Shares. Following the issue of the New Ordinary Shares to be allotted pursuant to the Placing and Subscription, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.
E.7	**Expenses charged to the investor by the issuer**	Not applicable – no expenses will be charged to the investor.

Risk Factors

The following risk factors, which the Directors believe include all known material risks in relation to the Company, the Group or its industry, the Fundraising should be carefully considered by Shareholders and investors when deciding (in the case of Shareholders) what action to take at the General Meeting and (in the case of investors) whether to make an investment in the Group. Shareholders and investors should carefully consider the whole of this document and not rely solely on the information set out in this section.

Investors should be aware that any investment in the New Ordinary Shares involves a high degree of risk and should be made only by those with the necessary expertise to appraise the investment. Accordingly, prior to making any investment decision, prospective investors should carefully consider all the information contained in this Prospectus and, in particular, the risk factors described below.

Additional risks currently unknown to Oxford BioMedica, or currently believed to be immaterial, could have an adverse effect on the Group. Any or all of these factors could have a material and adverse effect on the Group's operational results, financial condition and prospects. Furthermore, the trading price of the Ordinary Shares could decline, possibly rapidly, resulting in the loss of all or part of any investment therein. Investors should consider carefully whether an investment in the New Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

1. Risks related to the Group's financial position

1.1 The Group has incurred significant operating losses since inception, and the Group may incur further losses in the medium term. The Group may never become profitable or, if profitability is achieved, be able to sustain profitability.

The Group has incurred significant operating losses since it was founded in 1996 and may incur further losses in the medium term as it continues to build up further demand for its bioprocessing services. The Group's net loss for the year ended 31 December 2015 was £13.0 million. As at 31 December 2015, the Group had accumulated net losses of £158.7 million. Losses have resulted principally from costs incurred in the Group's clinical trials, research and development programmes and from the Group's general and administrative expenses. The Group continues to develop its bioprocessing technology and absorbs cash in doing so. Revenues from the sale of development and bioprocessing services currently cover only a portion of the Group's cost base. In addition, the Group does not generate any revenue from commercial sales of its product candidates and may not be able to commercialise, out-licence or spin out any of its current or future product candidates. The Group may not become profitable even if it succeeds in growing revenue from its development and bioprocessing services and from the commercialisation, out-licensing or spin out of its product candidates. Because of the numerous risks and uncertainties associated with product development and commercialisation and expansion of development and bioprocessing services, the Group is unable to predict the extent of any future losses or when it will become profitable, if at all.

1.2 The Group has limited working capital and requires additional funding in order to finance the working capital requirements of the Oxford BioMedica business going forward. If the Fundraising is unsuccessful, the Group will need to implement cost-saving measures that will severely constrain the Group's ability to implement its business strategy.

In the audit report on the audited financial statements for the year ended 31 December 2015, the auditors included an emphasis of matter statement regarding the Group's and the Company's ability to continue as a going concern. At 31 December 2015, the Group held cash, including known receivables and future funding available under the Oberland Facility, that at that time the Directors believed was sufficient to support the level of activities into the third quarter of 2016.

In the emphasis of matter statement, the auditors commented that the Directors concluded that they would be able to secure sufficient financing for the Group and Company to continue their activities for the foreseeable future, being not less than 12 months from the date of approval of those financial statements, and therefore the audited financial statements for the year ended 31 December 2015 were prepared on a going concern basis. The financial statements did not include the adjustments that would result if the Group was unable to continue as a going concern.

Since then, the Group has received a number of firm purchase orders for bioprocessing batches of lentiviral vector later this year and in the first half of 2017 which have extended the period until towards the end of the fourth quarter of 2016.

As at the date of this document, the Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Fundraising, the Group has sufficient working capital for its present requirements, that is for at least 12 months following the publication of this document.

If any of the Resolutions in the Notice of General Meeting are not approved the Fundraising will not proceed. In these circumstances the Directors are of the opinion that the Group will have sufficient finances to only fund the business until towards the end of the fourth quarter of 2016.

This assumes that the Group will only generate those revenues which have already been contracted or which the Directors believe have a high probability of being realised. However, it does not take into account any potential upfront licence payments should the Company be successful in partnering any of the Group's product candidates before the end of the fourth quarter of 2016, nor does it include potential revenue from other IP partnering or licensing transactions. Although it is possible that near term milestone payments and partnering transactions could increase available funds, the Directors cannot be certain that any such revenues will materialise before the end of the fourth quarter of 2016, if at all, and the receipt of such funds lies outside the full control of the Company. For the avoidence of doubt, the Company is required under the Oberland Facility to maintain cash and cash equivalents of not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding (in pounds sterling terms, this sum is subject to variation depending on the prevailing exchange rate) and therefore this sum is excluded from the Company's assessment of its available funds.

The Company would need £9 million to fund the business to the end of 2017, based on the above assumptions and the Board's current plans, which highlights the significance of the current financial position, if any of the Resolutions in the Notice of General Meeting are not approved.

In the event that any of the Resolutions are not passed by Shareholders and the Fundraising fails to proceed, the Directors will seek to implement the actions detailed below immediately.

- The Group would seek to access the $10 million (approximately £7.6 million) of cash and cash equivalents which is restricted under the terms of the Oberland Facility. This would require Oberland's consent and there can be no certainty that Oberland would consent to the Group having access to the restricted $10 million (approximately £7.6 million) within the timeframe required, or that their requested compensation for doing so would be acceptable to the Group, to prevent a working capital shortfall, or at all.
- The Group would seek alternative forms of financing. However, the Directors cannot guarantee that it will be possible to obtain any such alternative forms of financing within the required timeframe, if at all, or that such financing, if obtained, will be on terms as attractive as the Fundraising for Shareholders.
- The Group would seek to accelerate some of its partnering and out-licensing transactions. However, the Directors cannot guarantee that it will be possible to agree terms that are as favourable as they would have been if the programmes were not accelerated and there can be no guarantee that terms could be agreed within the timeframe required to prevent a working capital shortfall.
- The Group would seek to reduce its cost base by suspending all discretionary pre-clinical and internal product development activities, potentially mothballing one or more of the GMP clean room suites and also by implementing redundancies and cutting back on all other non project-related discretionary expenditure, which is likely to reduce the capabilities of the Group in order to conserve cash. While the implementation of such reductions to the Group's cost base may improve the Group's ability to conserve cash, there can be no guarantee that any resulting cost savings will be realised quickly enough to prevent a working capital shortfall, or at all, and, in any event, the Directors do not anticipate that the quantum of such savings would be sufficient enough to prevent a working capital shortfall.

Notwithstanding the measures outlined above, in the event that any of the Resolutions are not passed and the Fundraising does not proceed, the Directors do not believe that the above actions will successfully make up the cash shortfall to allow the Company to continue as a going concern significantly beyond December 2016. If the Company were to be unsuccessful in pursing these alternative courses of action by the fourth quarter of 2016, the Directors will be obliged to cease operations, the consequences of which could include administration or receivership, or liquidation or other insolvency proceedings. In such circumstances, Shareholders could lose all or a substantial amount of the value of their investment in the Company. Accordingly, it is important that Shareholders vote in favour of all of the Resolutions in order that the Fundraising may proceed.

1.3 Even if the Fundraising is successful, the Company may need to raise additional future funding to finance itself in the longer term (being more than 12 months from the date of this document), which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force the Group to delay, limit or terminate certain of its product development efforts or other operations.

The Group generates revenues and other operating income by providing process development and bioprocessing services to third party partners. Having invested in increased clean room and laboratory capacity, the Group anticipates that its revenues from these activities will grow to the point where they cover the Group's cost base including its R&D activities. The Group has decided to limit its future R&D expenditure to early stage and pre-clinical product concepts which, if successful, could be out-licensed or spun out, and technical developments related to the LentiVector® platform. If revenues do not grow sufficiently to cover the cost base, the Group might need to obtain additional funding. If the Company is unable to raise capital when needed or on attractive terms, the Group would be forced to delay, reduce or eliminate its research and development.

The Group has consumed significant amounts of cash since inception. As of 30 June 2016, the Group's cash and cash equivalents were £11.9 million. The Group's research, development and bioprocessing expenses increased from £17.0 million for the year ended 31 December 2014 to £20.3 million for the year ended 31 December 2015, and amounted to £12.7 million in the first half of 2016.

The net proceeds from the Fundraising will be not less than £10 million after deducting commissions and expenses payable by the Company. The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Fundraising, the Group has sufficient working capital for its present requirements, that is for at least 12 months following the publication of this document.

The Company's future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of drug discovery, laboratory testing, pre-clinical and technical development;
- revenue, if any, received from commercial sale of the Group's products, which are sub-licensed, partnered or spun out, or those of its partners, should any of these receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing the Group's intellectual property rights and defending intellectual property-related claims;
- the Group's current collaboration agreements remaining in effect and the Group's achievement of milestones under those agreements;
- the timing of receipt of any revenue associated with bioprocessing and development;
- the Group's ability to establish and maintain additional collaborations on favourable terms, if at all; and
- the extent to which the Group acquires or in-licences new technologies.

To the extent that additional capital is raised through the sale of equity or equity-linked securities, the issuance of those securities could result in substantial dilution for the Company's current Shareholders and the terms may include liquidation or other preferences that adversely affect the rights of the Company's current Shareholders. Furthermore, the issuance of additional securities, whether equity or debt, by the Company, or the possibility of such issuance, may cause the market price of the Company's Ordinary Shares to decline and existing Shareholders may not agree with the Company's financing plans or the terms of such financings. Adequate additional financing may not be available to the Company on acceptable terms, or at all.

1.4 The Group's assets have been pledged as security for borrowing under its credit facility, which contains restrictive covenants.

In May 2015, the Company entered into a $50 million loan facility agreement with Oberland (the "Oberland Facility"). $25 million (£16.3 million) of the loan was drawn down immediately in May 2015 and in September 2015 an additional $15 million (£9.8 million) was drawn down. The Oberland Facility is secured by a charge by the Company to Oberland of a first-ranking security interest in substantially all of the Group's assets. The Oberland Facility contains a number of covenants that, among other things, restrict the Group's ability, subject to specified exceptions, to incur additional liens; make investments; incur additional debt; merge, dissolve, liquidate or consolidate with or into another entity; sell or dispose of assets; licence, sub-licence, transfer or dispose of certain intellectual property; and engage in transactions with affiliates. For example, should the Group agree terms with

a party to out-licence or spin out any of its product candidates, it may need approval from Oberland. If the Company were to default on its obligations under the Oberland Facility or be in a position where it was unable to repay amounts drawn down under the Oberland Facility, Oberland would be entitled to enforce its security, including the potential sale of up to substantially all of the Group's assets in satisfaction of the unpaid debt. Such circumstances could have a material adverse effect on the Group's business operations, financial position and prospects. The Company is also required under the Oberland Facility to maintain cash and cash equivalents of not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding and, in pounds sterling terms, this sum is subject to variation depending on the prevailing exchange rate. Drawdowns of additional tranches are subject to certification by Oxford BioMedica that Oxford BioMedica's representations and warranties under the Oberland Facility agreement remain true and correct as of the drawdown date, and certifications relating to no default or material adverse effect. Also, the proceeds of such drawdowns may be used only for certain permitted acquisitions and licensing activities as approved by Oberland in its sole discretion.

1.5 A significant portion of the Group's income is derived from its 2014 collaboration with Novartis. The Group will need to continue its relationship with Novartis and obtain additional manufacturing and development contracts to generate the income needed to realise its development objectives.

During 2015 and 2014 and to date in 2016, the Group has derived a significant portion of its income from manufacturing and process development activities arising under its October 2014 three year collaboration agreement with Novartis and these activities will continue under the agreement through the first nine months of 2017. Given the current expectations for the development of CTL-019 with the BLA submission expected in early 2017, the Group anticipates that manufacturing revenues from Novartis will continue to comprise a large percentage of its income beyond the end of the current contract. The Group also anticipates entering into additional contracts with other third parties to provide manufacturing and development services to generate further income and diversify its customer base. The loss of Novartis as a customer and collaborative partner, or the failure of the Group to enter into arrangements for the provision of manufacturing and development services with other third parties, for whatever reasons, would have a negative impact on the Company's strategy of growing the manufacturing and process development services it provides to third parties and on its ability to generate income to help offset some of its expenses. The Group's manufacturing agreement with Novartis calls for the manufacture of lentiviral vectors expressing CTL019, Novartis' product candidate for relapsed/refractory acute lymphoblastic leukaemia currently in clinical trials. Any decision by Novartis to stop further development of CTL019, whether as a result of clinical trial or other issues or a change of strategic priorities, including those which may arise as a result of Novartis' recent restructuring, would significantly negatively impact the potential income realisable by the Group under its agreements with Novartis. If the Group is unable to continue to generate further income under the collaboration agreement with Novartis or potential future agreements with third parties would have a materially adverse effect on its business, financial condition and results of operations. In this circumstance, the Group would need to reduce its cost base in line with customer demand by mothballing one or more of its GMP clean room suites.

2. Risks related to third parties

2.1 The Group has in the past entered, and in the future intends to enter, into collaborations with third parties to develop product candidates. If these collaborations are not successful, the Group's business could be adversely affected.

The Group has entered into collaborations with multiple partners, including Novartis and Sanofi, and it intends to enter into additional collaborations in the future potentially including out-licence and spin out arrangements. Where the Group has out-licensed or spun out its product candidates or technologies, the Group generally has no control over the amount and timing of resources that the Group's collaborators dedicate to the development or commercialisation of their product candidates. The Group's ability to generate revenues from its collaboration arrangements will depend on the Group's and the Group's collaborators' abilities to successfully perform the functions assigned to each of them in these arrangements. The Group's collaborators may abandon research or development projects and terminate applicable agreements. Moreover, an unsuccessful outcome in any clinical trial for which the Company's collaborator is responsible could be harmful to the public perception and prospects of the Group's gene therapy platform as a whole and its other product candidates.

The Group's collaboration agreement with Novartis, which the Group entered into in October 2014, relates to the development and commercialisation of Novartis CAR-T product candidates for the

treatment of multiple cancers, including leukaemia. Under this collaboration, the Group has out-licensed to Novartis rights to the Group's lentiviral vector technology, has committed to manufacture and sell to Novartis viral vectors encoding CTL019 for Novartis CTL019 clinical studies and is also working on bioprocessing process development in order to increase batch volumes and yields. The Group entered into a licence agreement with Sanofi in February 2014 where Sanofi received exclusive licence development and commercialisation rights to the SAR421869 and SAR422459 product candidates. Further development and commercialisation of CTL019 and a further CAR-T programme, under the Novartis collaboration, and SAR421869 and SAR422459 are entirely at the discretion of Novartis and Sanofi, respectively.

The Company plans to enter into collaborations with other third parties in the future. The Company's collaborations with Novartis, Sanofi, as well as any future collaborations the Company enters into in the future, may pose several risks, including the following:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialisation of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialisation programmes based on clinical trial results, changes in the collaborators' strategic focus or available funding or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for clinical trials, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- the Group may not have access to, or may be restricted from disclosing, certain information regarding product candidates being developed or commercialised under a collaboration and, consequently, may have limited ability to inform its shareholders about the status of such product candidates;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with the Group's product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialised under terms that are more economically attractive than the Group's;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development of any product candidates, may cause delays or termination of the research, development or commercialisation of such product candidates, may lead to additional responsibilities for the Group with respect to such product candidates or may result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend the Group's intellectual property rights or may use the Group's proprietary information in such a way as to invite litigation that could jeopardise or invalidate the Group's intellectual property or proprietary information or expose the Group to potential litigation;
- disputes may arise with respect to the ownership of intellectual property developed pursuant to the Group's collaborations; and
- collaborations may be terminated for the convenience of the collaborator and, if terminated, the Group could be required to raise additional capital to pursue further development or commercialisation of the applicable product candidates.

In addition, the collaborators are exposed to the normal risks associated with product development, including:

- the risks associated with marketing approval are heightened by the products' status as gene and cell therapies;
- success in pre-clinical studies or early clinical trials may not be indicative of results obtained in later trials;
- collaborators may find it difficult to enrol patients in its clinical trials which could delay or prevent the progress of the product candidates;

- collaborators may encounter substantial delays in their clinical trials;
- product candidates and the process for administering the product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial potential, or result in significant negative consequences following any marketing approval;
- even if collaborators complete the necessary pre-clinical studies and clinical trials, it is not possible to predict when or if regulatory approval will be obtained to commercialise a product candidate or the approval may be for a more narrow indication than expected;
- if collaborators are not able to obtain or maintain orphan product exclusivity for those product candidates for which this status is sought, or if competitors are able to obtain orphan product exclusivity before the collaborator does, the collaborator may not be able to obtain approval for its competing products for a significant period of time;
- any of the product candidates for which marketing approval is obtained in the future could be subject to post-marketing restrictions or other regulatory requirements; and
- collaborators face significant competition in an environment of rapid technological change and competitors may achieve regulatory approval before the collaborator or develop therapies that are more advanced or effective than the collaborator's, which may adversely affect the collaborator's financial condition and the collaborator's ability to successfully market or commercialise the product candidates.

If the Group's collaborations do not result in the successful development and commercialisation of products, or if one of the Group's collaborators terminates its agreement with the Group, the Group may not receive any future research funding or milestone or royalty payments under the collaboration. In addition, if one of the Group's collaborators terminates its agreement with the Group, the Group may find it more difficult to attract new collaborators, which could have an adverse effect on its reputation. All of the risks relating to product development, regulatory approval and commercialisation described in this document apply to the activities of the Group's collaborators.

The Group may in the future decide to collaborate with pharmaceutical and biotechnology companies for development and potential commercialisation of the Group's product candidates or with such companies or academic or research institutions to obtain access to new product candidates or technologies. These relationships may require the Group to incur non-recurring and other charges, increase the Group's near- and long-term expenditures, issue securities that dilute the Group's existing Shareholders, drawdown on the Group's credit facilities or disrupt the Group's management and business. In addition, the Group could face significant competition in seeking appropriate collaborators and the negotiation process is time-consuming. If the Group licences rights to product candidates, the Group may not be able to realise the benefit of such transactions if the Group is unable to successfully pursue them.

2.2 The Company may not be successful in out-licensing or spinning out its three priority in-house programmes, finding strategic collaborators for continuing development of the Group's product candidates or successfully commercialising or competing in the market for certain indications.

The Company is seeking to out-license or spin out its three priority in-house programmes and may seek to develop strategic partnerships for developing certain of the Group's other product candidates, due to the costs required to develop the product candidates or other constraints. The Company may not be successful in its efforts to out-license, spin out or establish such a strategic partnership or other alternative arrangements for its product candidates because the Group's research and development pipeline may be insufficient, the Group's product candidates may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view the Group's product candidates as having the requisite potential to demonstrate safety and efficacy. In addition, the Group may be restricted under existing collaboration agreements from entering into future agreements with potential collaborators. For example, under the Group's collaboration with Novartis, the Group is subject to certain restrictions on its ability to directly or indirectly engage in certain activities relating to competing gene therapy products. In addition, the Group cannot be certain that, following a strategic out-license, spin out or partnership, the Group will achieve an economic benefit that justifies such transaction.

In any event, even if the Group is successful in finding strategic collaborators, those collaborators are exposed to the normal risks associated with commercialisation, including:

- if the collaborator is unable to establish sales, medical affairs and marketing capabilities or enter into agreements with third parties to market and sell the product candidates, the collaborator may be unable to generate any product revenue;
- if the market opportunities for the product candidates are smaller than currently envisaged, product revenues may be adversely affected;
- the insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for the products, if approved, could limit the ability to market those products and decrease the ability to generate product revenue; and
- the commercial success of any of the product candidates will depend upon its degree of market acceptance by physicians, patients, third-party payors, regulators and others in the medical community.

If the Company is unable to reach agreements with suitable collaborators or other third parties on a timely basis, on acceptable terms or at all, it may have to curtail the development of a product candidate, reduce or delay its development programme, delay its potential commercialisation, reduce the scope of any sales or marketing activities or increase its expenditures and undertake development or commercialisation activities at the Group's own expense. If the Group elects to fund development or commercialisation activities on its own, the Group may need to obtain additional expertise and additional capital, which may not be available to the Group on acceptable terms or at all. If the Group fails to out-license, spin out or enter into collaborations and does not have sufficient funds or expertise to undertake the necessary development and commercialisation activities itself, the Group may not be able to further develop its product candidates and the Company's business, financial condition, results of operations and prospects may be materially and adversely affected.

2.3 The Group relies on third parties for certain aspects of the conduct, monitoring and reporting of its clinical studies, as well as the supply of rare and other materials, contract bioprocessing of certain materials and processes and the analysis of certain data and, if these third parties perform in an unsatisfactory manner, it may materially harm the Group's business.

The Group relies on third parties to assist with the enrolment of qualified subjects and conduct, supervise and monitor its clinical studies, as well as the supply of rare and other materials, contract bioprocessing of certain materials and processes, and the analysis of certain data. Reliance on third parties for clinical development and certain bioprocessing and data analysis activities reduces the Group's control over these activities. Although the Group enters into agreements regulating the activities of third parties, they are not employees of the Group, and the Group is therefore unable to directly monitor whether or not they devote sufficient time, resources and care to the Group. Reliance on third parties, however, does not relieve the Group of its regulatory responsibilities, including ensuring that its clinical studies, product candidate production and data handling are conducted in accordance with relevant regulations. Accordingly, if third parties fail to comply with these regulations, the Group may be exposed to risks such as:

- delays in commencing, conducting or completing clinical trials;
- halts to clinical trials;
- flawed clinical trial results;
- contamination and other safety issues;
- delays to or shortages in critical materials;
- violations of data protection laws and regulations; and
- data flaws.

Third parties may also have relationships with other commercial entities, including the Group's competitors, for whom they may also be conducting activities that could harm the Group's competitive position.

If these third parties do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the services or materials they supply is compromised due to the failure to adhere to the Group's clinical protocols or regulatory requirements, or for any other reasons, the Group may not be able to obtain regulatory approval for, or successfully commercialise its product candidates. As a result, the Group's financial results and the

commercial prospects for its product candidates would be harmed, its costs could increase, and its ability to generate revenues could be delayed.

3. Risks related to bioprocessing

3.1 Gene therapies are complex and difficult to manufacture. The Group could experience production problems that result in delays in its development or commercialisation schedules or otherwise adversely affect its business.

The Group conducts bioprocessing for its lentiviral vectors in house. Lentiviral vectors require processing steps that are more complex than those required for most chemical pharmaceuticals. Moreover, unlike chemical pharmaceuticals, the complex physical and chemical properties of biologics such as the Company's products generally make it difficult to adequately characterise the products. As a result, the testing strategy employed for the finished product may not be sufficient to ensure that the product will always perform in the intended manner. Accordingly, the Group employs multiple steps to attempt to control its bioprocessing process to assure that the product candidate is made strictly and consistently in compliance with regulatory and contractual standards. Problems with bioprocessing, including scaling-up into the use of bioreactors, equipment malfunctions, facility contamination, labour problems, raw material shortages or contamination, natural disasters, disruption in utility services or human error, could result in product defects or bioprocessing failures that result in lot failures, product recalls, product liability claims and insufficient inventory. The Group may also encounter problems hiring and retaining the experienced specialist personal needed to operate and supervise its bioprocessing process, which could result in delays in the Group's production or difficulties in maintaining compliance with applicable regulatory requirements. As a consequence of the complexity of bioprocessing for viral vectors, the Group may encounter problems achieving production of consistently adequate quantities of clinical-grade materials that meet MHRA, FDA or other applicable standards or specifications with acceptable production yields and costs. Any problems in the Group's bioprocessing processes, including the scaling-up of such processes, or facilities could delay product development, clinical trials and launches as well as limit the Group's collaboration opportunities or ability to deliver on customer demand, all of which may have a material adverse effect on the Group's business, financial outlook and results of operations.

3.2 The Group relies on both single suppliers and limited numbers of suppliers for certain bioprocessing materials and processes and does not have backup suppliers for product candidates supplied from its own facilities. A failure of any of the Group's key supply sources could result in delays in the Group's bioprocessing and supply schedules.

Certain of the raw materials used by the Group in its bioprocessing processes are sourced from either a single supplier or a limited number of suppliers. In particular, there is a single supplier of a key reagent used in the Group's bioprocessing processes. Loss of supply of this reagent would require the Group to re-engineer its bioprocessing processes so that the reagent is not required. The Group also has a limited number of suppliers for certain other bioprocessing reagents, some of which have been subject to shortages and price volatility in the past. Although the Group seeks to mitigate the risk of supply failures of its bioprocessing materials, for example by maintaining strategic inventory levels including of these reagents, failure to obtain supply could impact the Group's bioprocessing capabilities, which in turn could have a material adverse effect on the Group's ability to develop its product candidates and maintain its bioprocessing levels, which could have a material adverse effect on its business, financial condition and results of operations.

The Group currently outsources the fill and finish process to a limited number of third party providers. In the event that one or more such third party providers were unable to provide the fill and finish process prior to the completion of the Group's own fill and finish operation, this could adversely impact or disrupt the commercial bioprocessing or the production of clinical material. In turn, this could materially and adversely affect the Group's development timelines and its ability to fulfil its bioprocessing obligations under its collaborations, the occurrence of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Additionally, the Group does not currently have a backup provider that is immediately capable of bioprocessing any of the Group's product candidate supply for clinical trials or commercial sale. If supply from the Group's bioprocessing facilities is interrupted, there could therefore be a significant disruption in clinical trial or ultimate commercial supply of the Group's LentiVector® products. Any alternative provider would need to be qualified, which could result in further delay. The regulatory authorities also may require additional trials if a new provider is relied upon for commercial

production. Switching to another provider may involve substantial costs and could result in a delay in the Group's desired clinical and commercial timelines, which may have a material adverse effect on the Group's business, financial outlook and results of operations.

3.3 Interruptions in the supply of product or inventory loss may adversely affect the Company's operating results and financial condition.

The Group conducts bioprocessing of its product candidates using technically complex processes requiring specialised facilities, highly specific raw materials and other production constraints. The complexity of these processes, as well as strict government standards for the manufacture and storage of the Group's products, subjects the Group to production risks. While product batches released for use in clinical trials or for commercialisation undergo sample testing, there is a chance that unexpected defects may only be identified following product release. In addition, process deviations or unanticipated effects of approved process changes may result in these products not complying with stability requirements or specifications. The Group's product candidates must be stored and transported at temperatures within a certain range. If these environmental conditions deviate, the Group's product candidates' remaining shelf-lives could be impaired or their efficacy and safety could be adversely affected, making them no longer suitable for use.

The occurrence, or suspected occurrence, of production and distribution difficulties may lead to lost inventories and, in some cases, product recalls, with consequential reputational damage and the risk of product liability. The investigation and remediation of any identified problems may cause production delays, substantial expense, lost sales and delays of new product launches. Any interruption in the supply of finished products or the loss thereof could hinder the Group's ability to timely distribute its products and satisfy customer demand in a timely manner. Any unforeseen failure in the storage of the product or loss in supply could delay the Group's clinical trials and, if the Group's product candidates are approved, result in a loss of the Company's market share and negatively affect the Company's business, financial condition, results of operations and prospects.

In addition, some of the raw materials required in the Group's bioprocessing process are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of the Group's product candidates could adversely impact or disrupt the commercial bioprocessing or the production of clinical material, which could materially and adversely affect the Group's development timelines and the Company's business, financial condition, results of operations and prospects.

3.4 The Group is required to meet regular quotas relating to bioprocessing under its collaboration with Novartis. Any failure to meet these quotas may trigger penalties or termination under the contract.

Under the October 2014 agreement with Novartis, the Group is the sole supplier of lentiviral vector clinical supply for Novartis' CTL019 and a further CAR-T programme and is required to manufacture and deliver specified amounts of lentiviral vector batches at specified intervals. In order to fulfil the expected demands from these contracts, the Group has embarked on a capacity expansion programme, enlarging its existing bioprocessing and laboratory facilities as well as acquiring new sites. This programme was completed and became fully operational in July 2016, by when the Group's capacity should be sufficient to meet Novartis' requirements. Although the Group has not had any prior issues with achieving sufficient bioprocessing levels, it cannot be guaranteed that the Group will be able to continue its production of consistently adequate quantities of clinical-grade materials that meet Novartis' standards or specifications with acceptable production yields and costs. In addition, the Group's suppliers, some of which are sole or part of a limited number of suppliers, may be unable to provide the Group with raw materials of a suitable quality or quantity for bioprocessing. If the Group were to fail to meet the requirements under the Novartis contracts, or were to deliver substandard products, it may be subject to penalties, fines and, where the circumstances could not be remedied, the possible termination. Any of these events may have a material adverse impact on the Group's financial results and may harm the Group's reputation, making it more difficult for it to engage in future collaborations and commercial partnerships.

3.5 The Group's bioprocessing facilities are subject to significant government regulations and approvals, as well as bioprocessing standards required by third-party collaborators, which are often time consuming and costly to comply with. If the Group fails to comply with such regulations, maintain such approvals or adhere to such standards, the Group's business will be materially harmed.

The Group's bioprocessing facilities are subject to ongoing regulation and periodic inspection by the MHRA, FDA and other regulatory bodies to ensure compliance with current Good Manufacturing Practices (''cGMP''). The Group is also subject to inspection by third parties for whom the Group acts as a supplier of lentiviral vectors to ensure adherence to such third parties' standards and specifications, which in many cases are more stringent than related government regulations. Any failure to follow and document the Group's adherence to such cGMP regulations, other regulatory requirements, applicable third-party standards and applicable product specifications may lead to significant delays in the availability of products for commercial use or clinical study, may result in the termination of or a hold on a clinical study, or may delay or prevent filing or approval of marketing applications for the Group's products. In addition, if the Group alters its bioprocessing process for gene therapies or during the development of a product candidate, the MHRA, FDA or other regulatory authorities may require additional testing, comparability and/or clinical studies to ensure adequate safety and efficacy.

Failure to satisfactorily address the concerns or potential deficiencies identified in such inspections or to comply with applicable regulations could also result in the MHRA, FDA or other regulatory authorities taking various actions, including:

- levying fines and other civil penalties;
- imposing consent decrees or injunctions;
- requiring remedial measures;
- a requirement to suspend or put on hold one or more of the Group's clinical trials;
- suspending or withdrawing regulatory approvals;
- delaying or refusing to approve pending applications or supplements to approved applications;
- suspending the Group's bioprocessing activities or product sales, imports or exports;
- requiring the Group to communicate with physicians and other customers about concerns related to actual or potential safety, efficacy, and other issues involving its products;
- mandating product recalls or seizing products;
- imposing operating restrictions; and
- seeking criminal prosecutions.

Failure to meet the quality standards and specifications imposed by those third parties for whom the Group acts as a supplier of lentiviral vectors may also require remedial measures that may be costly or time-consuming to implement and that may include the temporary or permanent suspension of certain processes at the Group's bioprocessing facilities. Any such remedial measures could materially harm the Company's business, financial condition, results of operations and prospects and ultimately, could result in such third parties ceasing to use the Group as a supplier.

The pharmaceutical industry is subject to significant on-going regulatory obligations and oversight which are becoming increasingly stringent and are subject to amendments and updates. The Group is required to ensure that its processes comply with such regulatory obligations and oversight on an on-going basis, which may result in significant additional expense and potential liability for the Group.

3.6 The Group's use of viruses, chemicals and other hazardous or biological materials requires the Group to comply with regulatory requirements and exposes the Group to significant potential liabilities.

The Group's development and bioprocessing activities involve the use of viruses, genetically modified organisms (and microorganisms), chemicals and other hazardous materials, and produce waste products. Accordingly, the Group is subject to laws and regulations in the United Kingdom governing the use, manufacture, distribution, storage, handling, treatment and disposal of these materials. The national governing bodies who regulate the use, manufacture, distribution, storage, handling, treatment and disposal of the materials utilised in the Company's processes are the Health and Safety Executive (''HSE''), Environmental Agency, MHRA and DEFRA. In addition to ensuring the safe handling of these materials, applicable requirements require increased safeguards and security measures for many of these agents, including controlling access and screening of entities and personnel who have access to them. In the event of an accident or failure to comply with

environmental, occupational health and safety and export control laws and regulations, the Company could be held liable for damages that result, and any such liability could exceed the Group's assets and resources.

4. Risks related to the Group's business operations

4.1 The Group's future success depends on the Group's ability to attract and retain qualified employees, consultants and advisors.

The Group is significantly dependent on its ability to attract and retain qualified scientific and management personnel. The market for qualified scientific and managerial employees in the biotechnology industry is, and likely will continue to be, highly competitive, specifically for the recruitment of skilled individuals with substantial gene and cell therapy experience. The Group's competitors may try to recruit some of the Group's qualified personnel. As a result, competition for skilled personnel, including in gene and cell therapy research and vector bioprocessing, is intense, and the Company believes that recruitment is becoming increasingly competitive. The Group may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for individuals with similar skill sets and, in addition, failure to succeed in pre-clinical or clinical trials or applications for marketing approval may cause reputational issues that make it more challenging to recruit and retain qualified personnel. Recruiting and retaining management and scientific personnel as the Group develops will be critical to the Group's success and the inability to recruit, or loss of services of qualified executives, employees, consultants or advisors, may impede the progress of the Group's research, development and commercialisation objectives and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

4.2 The Group may encounter difficulties in managing its growth and expanding its operations successfully.

As of 30 June 2016, the Group had 252 full-time employees. As the Group undertakes the activities required under its contracts and prepares for any future collaborations, it expects to continue to expand its full-time employee base to approximately 280 by the end of 2016 and to hire more consultants and contractors. The Group's management may need to divert an increased amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these growth activities. In addition, expenses may increase more than expected or the ability to generate and/or grow revenues could be reduced, each of which may have a material adverse effect on the Group's business, financial outlook and results of operations.

4.3 Product liability lawsuits against the Group could cause it to incur substantial liabilities and could limit commercialisation of any product candidates that the Group may develop.

The Group faces potential product liability risks that are inherent in the research, pre-clinical and clinical evaluation, bioprocessing, marketing and use of pharmaceutical products and it may face an even greater risk if the Group commercialises any products that it may develop. If the Group cannot successfully defend itself against claims that its product candidates caused injuries, the Group could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates that the Group may develop;
- loss of revenue;
- substantial monetary awards to trial participants or patients;
- significant time and costs to defend the related litigation;
- withdrawal of clinical trial participants;
- the inability to commercialise any product candidates that the Group may develop; and
- injury to the Group's reputation and significant negative media attention.

Although the Group maintains product liability insurance coverage in the amount of £10 million per occurrence and £10 million in the aggregate, this insurance may not be adequate to cover all liabilities that the Group may incur. The Group anticipates that it will need to increase its insurance coverage each time the Group commences a clinical trial and upon commercialisation of any of the Group's product candidates. Insurance coverage is increasingly expensive. While the Group is currently able to obtain insurance cover, it may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Any loss in excess of the Group's

insurance coverage could lead to substantial losses and may have a material adverse effect on the Group's business, financial condition and results of operations.

4.4 If the Group fails to comply with environmental, health and safety laws and regulations, the Group could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of the Company's business.

The Group is subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the generation, handling, use, storage, treatment, manufacture, transportation and disposal of, and exposure to, hazardous materials and wastes, as well as laws and regulations relating to occupational health and safety. The Group's operations involve the use of hazardous and flammable materials, including chemicals and biologic materials. The Group's operations also produce hazardous waste products. The Group contracts with third parties for the disposal of these materials and wastes. The Group cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from the Group's use of hazardous materials, the Group could be held liable for any resulting damages, and any liability could exceed the Group's resources. The Group also could incur significant costs associated with civil or criminal fines and penalties.

Although the Group maintains insurance for certain costs and expenses the Group may incur due to injuries to its employees resulting from the use of hazardous materials or other work related injuries, this insurance may not provide adequate coverage against potential liabilities. The Group does not maintain insurance for toxic tort claims that may be asserted against the Group in connection with its storage or disposal of biologic or hazardous materials.

In addition, the Group may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations, which have tended to become more stringent over time. These current or future laws and regulations may impair the Group's research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions or liabilities, which could materially adversely affect the Company's business, financial condition, results of operations and prospects.

4.5 The result of the referendum in the United Kingdom to leave the European Union could have an impact on the Company's business, financial condition and results of operations.

The UK has voted in an advisory referendum to leave the European Union (commonly referred to as "Brexit"). The impact of the referendum is not yet clear, but it may significantly affect the fiscal, monetary and regulatory landscape in the United Kingdom, and could have a material impact on its economy and the future growth of its various industries, including the pharmaceutical and biotechnology industries. Depending on the exit terms negotiated between EU Member States and the UK following Brexit, the United Kingdom could lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. Such a change in trade terms could affect the attractiveness of the United Kingdom as an investment centre and, as a result, could have a detrimental impact on UK companies. This may impact the Company's ability to access funding in the future, and its prospects. Although it is not possible at this point in time to predict fully the effects of an exit of the United Kingdom from the European Union, it could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, it may impact the Group's ability to comply with the extensive government regulation to which it is subject, and impact the regulatory approval processes for its product candidates.

4.6 The Group, and third parties on which the Group relies, may be adversely affected by natural disasters and the Group's business continuity and disaster recovery plans may not adequately protect the Group from a serious disaster.

Natural disasters could severely disrupt the Group's operations and have a material adverse effect on the Group's business, financial condition, results of operations and prospects. As of the date of this document, the Group operates one laboratory facility and two bioprocessing facilities in Oxford. If a natural disaster, power outage or other event occurred that prevented the Group from using all or a significant portion of one or more of the Group's facilities, including through damage to critical infrastructure, such as the Group's bioprocessing facilities, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for the Group to continue its business for a substantial period of time. The disaster recovery and business continuity plans the Group has in place

currently may not prove adequate in the event of a serious disaster or similar event, including one affecting the wider Oxford area.

The Group may incur substantial expenses as a result of limitations in the Group's disaster recovery and business continuity plans, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

4.7 The Group's internal computer systems, or those of the Group's collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of the Group's activities.

The Group's internal computer systems and those of the Group's current and any future collaborators and other contractors or consultants are vulnerable to damage from computer viruses, unauthorised access, natural disasters, terrorism, war and telecommunication and electrical failures. System upgrades, such as the new enterprise resource planning system that has recently been implemented, may also disrupt functionality and availability. Although the Group has not experienced any such material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in the Group's operations, it could result in a material disruption of the Group's business operations, whether due to a loss of the Group's trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in the Group's regulatory approval efforts and significantly increase the Group's costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, the Group's data or applications, or inappropriate disclosure of confidential or proprietary information, the Group could incur liability, the Group's competitive position could be harmed and the further development and commercialisation of the Group's product candidates could be delayed.

4.8 The Group is exposed to risks associated with fluctuations in exchange rates.

The Group records its transactions and prepares its financial statements in pounds sterling. However, some of the Group's income from collaborative agreements and patent licences is received in US dollars. The Group incurs a proportion of its expenditure in US dollars and Euros, relating primarily to pre-clinical and clinical development that it conducts in the US and Europe and the purchase of raw materials for its bioprocessing activities. In addition, given the Group's intention to eventually commercialise its product candidates in the US, the Company expects that if and when the Group begins to commercialise its product candidates, a portion of the Group's revenue will be generated in currencies other than pounds sterling, in particular, US dollars. As a result, the Group is exposed to both translational and transactional foreign currency exchange risk.

Translational foreign currency exchange risk arises when translating the value of the Company's non-UK assets and liabilities and the results of any non-UK subsidiaries into pounds sterling. To the extent that there are fluctuations in exchange rates in these currencies, this would have an impact on the Company's accounts. Transactional foreign currency exchange risk arises as a result of payments the Company makes or receives in local currencies and as a result of differences in exchange rates on the dates commercial transactions are entered into and the dates they are settled.

The Group has a US dollar denominated loan facility provided by Oberland. In order to manage the exchange rate risk exposure from this loan facility, cash balances that are not required for current use in the business are predominantly held in US dollars. To the extent that the Group's foreign currency assets and liabilities in the longer term are not matched, fluctuations in exchange rates between pounds sterling, the US dollar and the Euro may result in realised and unrealised gains and losses on translation of the underlying currency into pounds sterling that may increase or decrease the Group's results of operations and may adversely affect the Group's financial condition stated in pounds sterling. In addition if the currencies in which the Group earns its revenues and/or holds its cash balances weaken against the currencies in which it incurs its expenses, this could adversely affect the Group's future profitability. The Company is also required under the Oberland Facility to maintain cash and cash equivalents of not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding and, in pounds sterling terms, this sum is subject to variation depending on the prevailing exchange rate.

5. Risks related to the Group's intellectual property

5.1 If the Group is unable to obtain and maintain patent protection for its product candidates and technology, or if the scope of the patent protection obtained is not sufficiently broad, the Group's competitors could develop and commercialise product candidates and technologies similar or identical to the Group's, and the Group's ability to successfully commercialise its product candidates and technology may be adversely affected.

The Group's success depends, amongst other things, on maintaining proprietary rights to its product candidates and technologies and gives high priority to the strategic management of the Group's intellectual property portfolio. The Group intends to continue to seek to protect the Group's proprietary position by filing patent applications in the US and Europe related to many of the Group's novel technologies and product candidates that are important to the Group's business. However there can be no guarantee that the Group's product candidates and technologies are or will be adequately protected by intellectual property. Furthermore, if the Group's patents are infringed or challenged, the enforcement and/or defence of such rights could involve substantial costs and an uncertain outcome.

The patent prosecution process is expensive, time-consuming and complex, and the Group may not be able to file, prosecute, maintain, enforce or licence all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, certain patents in the field of gene therapy that may have otherwise potentially provided patent protection for certain of the Group's product candidates have expired or will soon expire. In some cases, the work of certain academic researchers in the gene therapy field has entered the public domain, which the Group believes precludes the Group's ability to obtain patent protection for certain inventions relating to such work. As a result, the Group may be unable to seek patent protection for certain product candidates. Consequently, the Group will not be able to assert patent protection in relation to such product candidates to prevent others from using the Group's technology for, and developing and marketing competing products to treat, the indications in. It is also possible that the Group will fail to identify patentable aspects of the Group's research and development output before it is too late to obtain patent protection.

For example, the US Supreme Court has in recent years decided several cases restricting the patentability of certain types of claims, including decisions that genomic DNAs that have been isolated from, or have the same sequence as, naturally occurring samples, such as the DNA constituting the breast cancer susceptibility genes or fragments thereof, are not eligible for patent protection as compared with complementary DNAs which have a sequence that differs from a naturally occurring fragment of genomic DNA which may be patent eligible and that natural correlations, such as drug metabolic levels in a patient that drug's optimal dosage, are not eligible for patent protection. As a result, the US Patent and Trademark Office (the ''USPTO'') has provided guidance that claims directed to a law of nature, a natural phenomenon, or an abstract idea that do not meet the eligibility requirements of an inventive concept should be rejected as non-patentable. Accordingly, there can be no assurances that the Company's efforts to seek patent protection for its technology and products, including those related to genes, biomarkers and other naturally occurring samples, will not be negatively impacted by the decisions described above, rulings in other cases or changes in guidance or procedures issued by the USPTO and/or other patent offices where the Group seeks to obtain patent protection.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of the Group's patent rights are highly uncertain. The Group's pending and future patent applications may not result in patents being issued which protect the Group's product candidates and technologies or which effectively prevent others from commercialising competitive product candidates and technologies or any patents, if issued, may protect narrower claims than those originally sought by the Group. Changes in either the patent laws or interpretation of the patent laws in the United Kingdom, United States and other countries where the Group seeks to obtain patent protection may diminish the value of the Company's patents or narrow the scope of the Group's patent protection.

The Group is currently aware of one patent family and one patent application that contain claims that could be relevant to the development of certain of the Group's product candidates and technologies. The Group could need to either engineer around these pending or granted patents or obtain licences to preserve its freedom to operate. There can be no assurances that such engineering would be successful or that licences would be available on commercially acceptable terms.

The Group may not be aware of all third-party intellectual property rights potentially relating to the Group's product candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, the Group cannot be certain that it was the first to make the inventions claimed in any owned or any licensed patents or pending patent applications, or that the Group was the first to file for patent protection of such inventions, or that the Group is not infringing the patent rights of others.

Rights of ownership over, and rights to license and use, intellectual property depend on a number of factors, including the circumstances under which the intellectual property was created and the provisions of any agreements covering such intellectual property. Even if the patents and applications the Group owns or licenses in the future do issue as patents, they may not issue in a form that will provide the Group with any meaningful protection, prevent competitors or other third parties from competing with the Group or otherwise provide the Group with any competitive advantage. The Group's competitors or other third parties may be able to circumvent the Group's patents by developing similar or alternative product candidates or technologies in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and the Group's patents may be challenged in the courts or patent offices in the United Kingdom, United States and elsewhere. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit the Group's ability to stop others from using or commercialising similar or identical technology and products, or limit the duration of the patent protection of the Group's technology and product candidates. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialised. As a result, the Group's intellectual property may not provide the Group with sufficient rights to exclude others from commercialising products similar or identical to the Group's.

5.2 The Group's rights to develop and commercialise its product candidates are subject, in part, to the terms and conditions of licences granted to the Group by others.

The Group is reliant upon licences to certain patent rights and proprietary technology from third parties that are important or necessary to the development of the Group's product candidates, including technology related to the Group's bioprocessing activities and the Group's current and future gene and cell therapy product candidates. These and other licences may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which the Group may wish to develop or commercialise its product candidates and technologies in the future. As a result, the Group may not be able to prevent competitors from developing and commercialising competitive product candidates in territories included in all of the Group's licences. In addition, certain of the Group's existing licence agreements impose, and the Group expects that future licence agreements, will impose, various diligence, development and commercialisation timelines, milestone payments, royalties and other obligations on the Group in order to maintain the licence. If the Group fails to comply with its obligations under these agreements, or the Group is subject to an insolvency event, the licensor may have the right to terminate the license, in which event the Group would not be able to develop or market products covered by the licence.

The Group generally does not have the right to control the preparation, filing and prosecution of patent applications, or to maintain and enforce the patents, covering technology that the Group licenses from third parties, and may not have such right under future licenses. Therefore, the Group cannot be certain that these patents and applications will be prosecuted, maintained or enforced in a manner consistent with the best interests of the Group's business. If the Group's licensors fail to maintain such patents, or lose rights to those patents or patent applications, the rights the Group has licensed may be reduced or eliminated and the Group's right to develop and commercialise any of the Group's product candidates that are the subject of such licensed rights could be adversely affected. In addition to the foregoing, the risks associated with patent rights that the Group licenses from third parties will also apply to patent rights that the Group may own in the future.

Furthermore, the research resulting in certain of the Group's licensed patent rights and technology, was funded by the US government. As a result, the US government may have certain rights, or march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive licence authorising the government to use the invention for non-commercial

purposes. These rights may permit the government to disclose the Group's confidential information to third parties and to exercise march-in rights to use or allow third parties to use the Group's licensed technology. The US government can exercise its march-in rights if it determines that action is necessary because the Group fails to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give preference to industry in a particular country. In addition, the Group's rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the US. Any exercise by the US government of such rights could harm the Group's competitive position, business, financial condition, results of operations and prospects.

5.3 If the Group fails to comply with its obligations in the agreements under which the Group licences intellectual property rights from third parties or is impacted by disruptions, disagreements or disputes in its business relationships with its licensors, the Group could lose licence rights that are important to its business.

The agreements under which the Group currently licences intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what the Group believes to be the scope of its rights to the relevant intellectual property or technology, or increase what the Group believes to be its financial or other obligations under the relevant agreement, either of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Disputes may arise regarding intellectual property subject to a licensing agreement under a number of circumstances, including:

- the scope of rights granted under the licence agreement and other interpretation-related issues;
- the extent to which the Group's technology and processes infringe intellectual property rights of the licensor that are not subject to the licensing agreement;
- the sublicensing of patents and other rights under the Group's collaborative development relationships;
- the Group's diligence obligations under the licence agreement and what activities satisfy those diligence obligations;
- the inventorship or ownership of inventions and know-how resulting from the creation or use of intellectual property by the Group's licensors and/or the Group and its partners; and
- the priority of invention of patented technology.

If disputes over intellectual property that the Group has licensed prevent or impair the Group's ability to maintain its current licensing arrangements on acceptable terms, the Group may be unable to successfully develop and commercialise the affected product candidates.

5.4 The Group may not be successful in obtaining necessary rights to the Group's product candidates through acquisitions and in-licences.

The Group may need to obtain additional licences from others to advance its research or allow commercialisation of the Group's product candidates. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to licence or acquire third-party intellectual property rights that the Group may consider attractive. These established companies may have a competitive advantage over the Group due to their size, capital resources and greater clinical development and commercialisation capabilities. In addition, companies that perceive the Group to be a competitor may be unwilling to assign or licence rights to the Group. The Group also may be unable to licence or acquire third party intellectual property rights on terms that would allow it to make an appropriate return on its investment. It is therefore possible that the Group may be unable to obtain additional licences at a reasonable cost or on reasonable terms, if at all.

The Group sometimes collaborates with non-profit and academic institutions to accelerate its pre-clinical research or development under written agreements with these institutions. Sometimes, these institutions provide the Group with an option to negotiate a licence to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, the Group may be unable to negotiate a licence within the specified timeframe or under terms that are acceptable to it. If the Group is unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking the Group's ability to pursue its programme.

In the event the Group is unable to successfully obtain rights to required third-party intellectual property or maintain the intellectual property rights it has, the Group may be required to expend significant time and resources to redesign its product candidates or the bioprocessing methods it uses or to develop or licence replacement technology, all of which may not be feasible on a technical or commercial basis. If the Group is unable to do so, the Group may be unable to develop or commercialise the affected product candidates and may need to abandon product candidates that are already in the process of development or commercialisation. As a result, the Group's business, financial condition, results of operations and prospects could suffer.

5.5 The Group may become involved in litigation to protect or enforce its patents or other intellectual property rights, which could be expensive, time consuming and unsuccessful.

Competitors may infringe the Group's owned or licensed patents or other intellectual property. To counter infringement or unauthorised use, the Group may be required to file infringement claims to enforce or defend its intellectual property rights, which can be expensive and time consuming. Any claims the Group asserts against perceived infringers could provoke these parties to assert counterclaims against it alleging that the Group infringes their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of the Group's is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that the Group's patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of the Group's patents at risk of being invalidated or interpreted narrowly.

Even if resolved in the Group's favour, litigation or other legal proceedings relating to intellectual property claims may cause the Group to incur significant expenses, and could distract the Group's technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of the Group's Ordinary Shares. Such litigation or proceedings could substantially increase the Group's operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. The Group may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of the Group's competitors may be able to sustain the costs of such litigation or proceedings more effectively than the Group can because of their greater financial resources. Due to all of the above, litigation in protecting the Group's intellectual property rights, whether or not ultimately decided in favour of the Group, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

5.6 Third parties may initiate legal proceedings alleging that the Group is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of the Group's business.

The Group's commercial success depends upon its ability and the ability of its collaborators to develop, manufacture, market and sell its product candidates and use its proprietary technologies without infringing the proprietary rights and intellectual property of third parties. The biotechnology and pharmaceutical industries are characterised by extensive and complex litigation regarding patents and other intellectual property rights, and the Group cannot provide any assurances that third-party patents and other intellectual property do not exist which might be enforced against the Group's current bioprocessing methods, product candidates or future methods or products. The Company may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to its product candidates and technology, including interference proceedings, post grant review and inter parties review before the European Patent Office, the US Patent and Trademark Office or the courts or the patent offices of those countries in which the Group has applied for patents. Third parties may assert infringement claims against the Group based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with the Group to enforce or to otherwise assert their patent rights against the Group. Even if the Group believes such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect the Group's ability to develop and commercialise its product candidates or technologies covered by the asserted third-party patents.

If the Group is found to infringe a third party's valid and enforceable intellectual property rights, the Group could be required to obtain a licence from such third party to continue developing,

bioprocessing and marketing its product candidates and technology. However, the Group may not be able to obtain any required licence on commercially reasonable terms or at all. Even if the Group was able to obtain a licence, it could be non-exclusive, thereby giving the Group's competitors and other third parties access to the same technologies licensed to the Group, and it could require the Group to make substantial licensing and royalty payments. The Group could be forced, including by court order, to cease developing, bioprocessing and commercialising the infringing technology or product candidates. In addition, the Group could be found liable for monetary damages and costs, including punitive damages or damages for flagrant infringement, if the Group is found to have wilfully infringed a patent or other intellectual property right. A finding of infringement could prevent the Group from bioprocessing and commercialising its product candidates or force the Group to cease some of its business operations, which could materially harm the Group's business. Claims that the Group has misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on the Company's business, financial condition, results of operations and prospects.

5.7 The Group may be subject to claims asserting that its employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what the Group regards as its own intellectual property.

Most of the Group's employees, including senior management, were previously employed at other biotechnology or pharmaceutical companies. Some of these employees may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although the Group tries to ensure that employees do not use the proprietary information or know-how of others in their work, the Group may be subject to claims that the Group or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of their former employers. If the Group fails in successfully defending any such claims as may arise, it may be obliged to pay monetary damages and may also lose valuable intellectual property rights or personnel.

In addition, while it is the Group's policy to require its employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to the Group, the Group may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that the Group regards as its own resulting in the question of ownership of the relevant intellectual property rights being uncertain. The assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, and the Group may be forced to bring claims against third parties, or defend claims that they may bring against it, to determine the ownership of what the Group regards as its intellectual property. In addition, under certain jurisdictions such as the UK, employees are entitled to make claims against their employers for inventions they make which are owned by the employer. Any such claims may have a negative impact on the Group's business.

5.8 If the Group does not obtain patent term extension and data exclusivity for its product candidates, the Company's business may be materially harmed.

In the US, depending upon the timing, duration and specifics of any FDA marketing approval of the Group's product candidates, one or more of the Group's US patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for bioprocessing it may be extended. However, the Group may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than the Group requests. If the Group is unable to obtain patent term extension or the term of any such extension is less than the Group requests, the Group's competitors may obtain approval of competing products following the Group's patent expiration, and the Group's revenue could be reduced, possibly materially.

In Europe, the Group may in the future be able to obtain an extension to patent protection through Supplementary Protection Certificates ("SPCs"). SPCs are intellectual property rights that are

available to the proprietor of a drug that has been patented and approved in Europe. If granted, an SPC can extend the patent protection for an approved drug beyond the standard 20 years. The duration of an SPC is equal to the time that has elapsed between the filing date of the patent and the first approval of the drug in any European country, minus five years, but the maximum duration of any SPC is five years. However, the rules surrounding SPCs are complex, continually developing and decisions of the courts may affect the ability of the Group to benefit from such rights.

6. Risks related to the Fundraising and ownership of the Company's Ordinary Shares

6.1 Shareholders will experience dilution in their ownership of the Company as a result of the issue of the New Ordinary Shares.

Upon Admission, and assuming the passing of all the Resolutions and no further exercise of options under the Share Schemes, the Enlarged Share Capital is expected to be 3,087,177,687 Ordinary Shares. On this basis, New Ordinary Shares issued through the Fundraising will represent 12.4 per cent. of the Enlarged Share Capital.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.

6.2 The Company's share price may be influenced by a large number of factors and is subject to fluctuation.

The share prices of publicly traded biotechnology and emerging pharmaceutical companies such as Oxford BioMedica can be highly volatile. The price at which the Ordinary Shares will be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to Oxford BioMedica and its operations and some which may affect the quoted healthcare and pharmaceutical sectors, or quoted companies generally. The Company's share price has fluctuated, and may continue to fluctuate. The factors which may affect the Company's share price include:

- actual or anticipated results of clinical trials;
- actual or anticipated changes in the development status of a development programme;
- actual or anticipated regulatory approvals of healthcare products or of competing products;
- actual or anticipated changes in laws or regulations applicable to healthcare products;
- changes in the expected or actual timing or costs of development programmes;
- actual or anticipated variations in periodic operating results;
- announcements of technological innovations by the Group, or its competitors;
- new products or services introduced or announced by the Group or its competitors; changes in financial estimates or recommendations by securities analysts;
- conditions or trends in the biotechnology and pharmaceutical industries;
- changes in the market valuations of similar companies;
- announcements by the Group of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and the Group's ability to obtain, maintain and defend patent protection for its technologies and to avoid infringement of third-party intellectual property rights; and
- trading volume of the Ordinary Shares.

Furthermore, the Company's share price may fall in response to market appraisal of its current strategy or if the Group's operating results and prospects from time to time are below the expectations of market analysts and investors. In addition, stock markets have from time to time experienced significant price and volume fluctuations that have affected the market price of the companies whose shares are traded on such markets. Such fluctuations could affect the Company's share price, though they may be unrelated to the Group's actual operating performances and prospects.

The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares. Significant sales of shares by major

Shareholders or the public perception that an offering may occur, could also have an adverse effect on the market price of the Company's outstanding Ordinary Shares.

6.3 Pre-emption rights for US, Canadian and other overseas Shareholders may be unavailable.

In the case of certain increases in the Company's issued share capital, existing holders of Ordinary Shares are generally entitled to pre-emption rights to subscribe for such shares, unless shareholders waive such rights by a resolution at a Shareholders' meeting. US Shareholders, however, may not be entitled to exercise these rights unless the shares offered are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Company intends to evaluate, at the time of any future pre-emptive share offering, the costs and potential liabilities associated with registration or qualifying for an exemption, as well as the indirect benefits to the Company of enabling US Shareholders to participate in the offering and any other factors it considers appropriate at the time, prior to making a decision as to whether to file a registration statement under the Securities Act or to utilise an exemption from the registration requirements of the Securities Act. There can be no assurance that any future pre-emptive share offering will be made available to US holders.

6.4 The Fundraising is conditional upon Shareholder Approval.

The 184,255,000 New Ordinary Shares to be issued pursuant to the Placing and the 199,116,665 New Ordinary Shares to be issued pursuant to the Subscription will be issued conditional upon Shareholder approval, at Admission, expected to be on 4 October 2016. At any time prior to Admission, Jefferies may, in its absolute discretion, terminate the Placing Agreement if, *inter alia*, the applications for Admission are refused by the FCA or the London Stock Exchange; the Company breaches any of its obligations under the Placing Agreement, the consequences of which, in the good faith opinion of Jefferies, would be material in the context of the Fundraising; there has been any material change or development (whether or not foreseeable at the date of the Placing Agreement) which, in the good faith opinion of Jefferies, would make it impractical or inadvisable to proceed with the Fundraising; or the occurrence of a force majeure or market disruption event as specified in the Placing Agreement which, in Jefferies' good faith opinion, makes it impracticable or inadvisable to proceed with the Fundraising or may adversely impact dealings in the New Ordinary Shares following Admission or is likely to materially and adversely affect the price at which the Ordinary Shares are traded on the London Stock Exchange. It is possible, therefore, that the Placing Agreement could be terminated before Admission, in which case the issue and sale of the New Ordinary Shares would not proceed. Although the Company will not be required to pay commissions to Jefferies in respect of any New Ordinary Shares that are not issued and sold as part of the Placing in the event the Placing Agreement is terminated, the Company will be required to pay certain other expenses incurred in connection with the Fundraising regardless of whether the Fundraising proceeds.

6.5 Shareholders may have difficulty in effective service of process on the Company or the Directors in any territory outside the UK, including the US, in enforcing US or other international judgments in the United Kingdom or in enforcing US federal or other international securities laws in UK courts.

Most Directors are residents of the UK and substantially all of their assets are in Europe and, as such, are outside the US. The Company is incorporated outside the US and substantially all of its assets are located outside the US at this time. As a result, it may not be possible for Shareholders to effect service of process within the US upon all of the Directors or on the Company, or to obtain discovery of relevant documents and/or the testimony of witnesses in the US. US Shareholders may have difficulties enforcing in courts outside the US judgments obtained in US courts against some of the Directors or the Company (including actions under the civil liability provisions of the US federal securities laws). Shareholders may also have difficulty enforcing liabilities under the US federal securities laws in legal actions originally brought in jurisdictions located outside the US. Similar risks apply to Shareholders resident in other territories outside the UK.

6.6 If the Company is classified as a passive foreign investment company, US shareholders could be subject to adverse US federal income tax consequences.

If the Company is classified as a passive foreign investment company, US shareholders could be subject to adverse US federal income tax consequences.

The rules governing passive foreign investment companies, or PFICs, can have adverse effects for US federal income tax purposes. The tests for determining PFIC status for a taxable year depend upon the relative values of certain categories of assets and the relative amounts of certain kinds of income.

The Company does not currently believe itself to be classified a PFIC, and the Company does not anticipate becoming a PFIC in the foreseeable future. Notwithstanding the foregoing, the determination of whether the Company is a PFIC depends on the particular facts and circumstances (such as the valuation of its assets, including goodwill and other intangible assets) and may also be affected by the application of the PFIC rules, which are subject to differing interpretations. The fair market value of the Company's assets is expected to depend, in part, upon (a) the market price of the Company's shares and (b) the composition of the Company's income and assets, which will be affected by how, and how quickly, the Company spend any cash that is raised in any financing transaction, including this Fundraising. In light of the foregoing, no assurance can be provided that the Company is not currently a PFIC or that it will not become a PFIC in any future taxable year.

If the Company were classified a PFIC, US Shareholders would be subject to adverse US federal income tax consequences, such as ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under US federal income tax laws and regulations. Whether or not US Shareholders make a timely mark-to-market election may affect the US federal income tax consequences to US Shareholders with respect to the acquisition, ownership and disposition of Ordinary Shares and any distributions such US Shareholders may receive. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to the Company's Ordinary Shares.

PRESENTATION OF INFORMATION

General

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

Investors should rely solely on the information contained in this document and the information incorporated by reference into this document (and any supplementary prospectus produced to supplement the information contained in this document) when making a decision as to whether to acquire New Ordinary Shares. No person has been authorised to give any information or make any representations other than those contained in this document, and if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, Jefferies, WG Partners, Scott Harris or Roth Capital. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA and Rule 3.4 of the Prospectus Rules, neither the delivery of this document nor any issue or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company and its subsidiaries taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies, WG Partners, Scott Harris or Roth Capital by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Jefferies, WG Partners, Scott Harris or Roth Capital nor any of their respective affiliates, directors, officers, employees or advisers accept any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy or completeness or for any other statement made or purported to be made by it or on behalf of it, the Company, the Directors or any other person, in connection with the Company, the New Ordinary Shares, the Fundraising or Admission, and nothing in this document should be relied upon as a promise of representation in this respect, whether as to the past or the future. Each of Jefferies, WG Partners, Scott Harris or Roth Capital and their respective affiliates, directors, officers, employees and advisers accordingly disclaims to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

This document may contain forward-looking statements that reflect the Group's current expectations regarding future events, including the clinical development and regulatory clearance of the Group's product candidates, the Group's ability to find partners for the development and commercialisation of its product candidates, the business of Oxford BioMedica, its bioprocessing activities and management plans and objectives. Oxford BioMedica considers any statements that are not historical facts as ''forward-looking statements''. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors, including the success of the Group's research strategies, the applicability of the discoveries made therein, the successful and timely completion of pre-clinical and clinical studies with respect to the Group's product candidates, the uncertainties related to the regulatory process, the ability of the Group to identify and agree beneficial terms with suitable partners for the commercialisation and/or development of product candidates, as well as the achievement of expected synergies from such transactions, the acceptance of product candidates by consumers and medical professionals, the successful integration of completed mergers and acquisitions and achievement of expected synergies from such transactions, the ability of the Group to identify and consummate suitable strategic and business combination transactions, the scaling-up of the Group's bioprocessing activities and the risks described in the ''Risk Factors'' set out in page 7 to 37 (inclusive) of this document.

When used in this document the words ''estimate'', ''project'', ''intend'', ''aim'', ''anticipate'', ''believe'', ''expect'', ''should'' and similar expressions, as they relate to Oxford BioMedica or the management of the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Oxford BioMedica nor any other member of the Group undertakes any obligation publicly to update or revise any of the forward-looking statements, whether as a result

of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, Prospectus Rules, Disclosure and Transparency Rules and other regulations.

No person has been authorised to give any information or make any representations in relation to the Oxford BioMedica Group or the Fundraising other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised.

Investors and Shareholders should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

Prospective investors are urged to read the sections of this document entitled "Summary", "Risk Factors", "Operating and Financial Review of Oxford BioMedica plc" and "Information on Oxford BioMedica plc" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

No profit forecast

No statement in this document or incorporation by reference into this document is intended as a profit forecast or profit estimate and no statement in this document should be interpreted to mean that earnings or earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Ordinary Share.

No incorporation of website information

Save where expressly stated otherwise, neither the content of Oxford BioMedica's website nor the content of any website accessible from hyperlinks on Oxford BioMedica's website is incorporated into, or forms part of, this document.

Miscellaneous

In connection with the Fundraising, Jefferies, WG Partners, Scott Harris and Roth Capital and any of their respective affiliates, acting as an investor for their own respective account, may take up New Ordinary Shares in the Fundraising and in that capacity may retain, purchase or sell for their own respective account such New Ordinary Shares or related investments otherwise than in connection with the Fundraising. Accordingly, references in this document to New Ordinary Shares being offered or placed should be read as including any offering or placement of New Ordinary Shares to Jefferies, WG Partners, Scott Harris and Roth Capital or its affiliates acting in such capacity. Jefferies, WG Partners, Scott Harris and Roth Capital do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Presentation of financial information with respect to the Group

Presentation of financial information with respect to the Group

Unless otherwise indicated, the consolidated financial information with respect to the Group presented and incorporated by reference in this document is based on International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards Interpretations Committee interpretations as adopted by the European Union, and those parts of the UK Companies Act 2006 applicable to the companies reporting under IFRS. IFRS as adopted by the European Union differs in certain aspects from International Financial Reporting Standards as issued by the International Accounting Standards Board.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. Further details are set out in paragraph 11 (Critical accounting policies) of Part 5 "Operating and Financial Review of Oxford BioMedica plc". It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the notes to the consolidated financial information incorporated by reference in Part 4 "Financial Information Relating to Oxford BioMedica plc".

The Company's financial year runs from 1 January to 31 December. The consolidated financial information relating to the Group presented and incorporated by reference in this Prospectus is not intended to comply with the applicable accounting requirements of the Securities Act and the related

rules and regulations that would apply if the Ordinary Shares were to be registered in the United States.

Other

The financial information presented and incorporated by reference in this Prospectus was not prepared in accordance with US Generally Accepted Accounting Principles (US GAAP) or audited in accordance with US Generally Accepted Auditing Standards (US GAAS) or the standards of the Public Company Accounting Oversight Board (PCAOB Standards). No opinion or any other assurance with regard to any financial information was expressed under US GAAP, US GAAS or PCAOB Standards and the financial information is not intended to comply with SEC reporting requirements.

Rounding

Percentages and certain amounts included in this Prospectus have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

Currencies

Unless otherwise indicated, in this Prospectus, all references to:

pounds sterling or **£** are to the lawful currency of the United Kingdom;

US dollars or **US$** are to the lawful currency of the United States; and

euros or **€** are to the lawful currency of the European Union (as adopted by certain member states).

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in pounds sterling. For all members of the Group in the United Kingdom, the functional currency is pounds sterling and the Group presents its financial statements in pounds sterling.

The basis of translation of foreign currency transactions and amounts in the financial information set out in Part 5 ''Operating and Financial Review of Oxford BioMedica plc''. Information derived from this financial information set out elsewhere in this document has been translated on the same basis.

Third Party Sources

All sources referenced in this Prospectus are publicly available or historically commissioned reports, and are not expert reports for the purposes of the Prospectus Rules. The Company has not independently verified any of the data from third-party sources nor has it ascertained the underlying economic assumptions relied upon therein. Statements or estimates as to the Group's market position, which are not attributed to independent sources, are based on market data or internal information currently available to the Company. The Company confirms that information sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Estimates extrapolated from these data involve risks and uncertainties and are subject to change based on various factors, including those discussed in the ''Risk Factors'' section of this document.

Incorporation of information by reference

The contents of the websites of the Company (including any materials which are hyper-linked to such websites) do not form part of this document and prospective investors should not rely on them.

References to defined terms

Certain terms used in this Prospectus are defined, and certain technical and other terms used in this Prospectus are explained in the ''Definitions'' and ''Glossary'' sections of this document.

Notice to Overseas Shareholders

The New Ordinary Shares have not been and will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories except pursuant to an applicable exemption from registration or qualification requirements. This Prospectus does not constitute an invitation or offer to sell or the solicitation of an invitation or an offer to buy New Ordinary Shares in any jurisdiction in which such offer or

solicitation is unlawful. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain exceptions, this Prospectus will not be distributed in or into any Excluded Territory, and this Prospectus does not constitute a public offer of New Ordinary Shares to any Shareholder with a registered address in, or who is resident or located in (as applicable), any Excluded Territory.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales and operating under the Companies Act. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and those in many other jurisdictions.

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. Most of the Directors and executive officers are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or executive officers who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on the foreign securities laws brought against the Company or the Directors or the executive officers in a court of competent jurisdiction in England or other countries.

Notice to all Shareholders

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the New Ordinary Shares is prohibited. By accepting delivery of this document, each offeree of the New Ordinary Shares agrees to the foregoing.

The distribution of this document into jurisdictions other than the UK may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken by the Company or by Jefferies, WG Partners, Scott Harris or Roth Capital that would permit an offer of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material in any of the Excluded Territories.

Enforcement of Judgments

The Company is incorporated and governed under the laws of England and Wales. A substantial portion of the Company's assets are located outside the United States and all of its Directors and officers are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company and those Directors, officers or experts who have provided reports set out in this document or to realise in the United States upon judgments of courts of the United States predicated upon the civil liability of the Company and such other Directors, officers or experts under US federal securities laws. There is also doubt as to the enforceability in the UK, in original actions or in actions for enforcement of judgments of US courts, of civil liability predicated solely upon the civil liability provisions of such US federal securities laws. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in the UK.

Directors, Secretary and Advisers

Directors	Lorenzo Tallarigo	*Non-executive Chairman*
	John Andrew Dawson	*Chief Executive Officer*
	Timothy William Watts	*Chief Financial Officer*
	Peter John Nolan	*Chief Business Officer*
	Andrew John William Heath	*Deputy Chairman and Senior Independent Director*
	Martin Diggle	*Non-executive Director*
	Stuart Jonathan Brodie Henderson	*Independent Non-executive Director*
Company Secretary	Timothy William Watts	
Registered Office	Windrush Court Transport Way Oxford OX4 6LT	
Sponsor, Global Co-ordinator and Bookrunner	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ	
UK Placement Agents	WG Partners LLP 85 Gresham Street London EC2V 7NQ	Scott Harris UK Limited 71 Queen Victoria Street London EC4V 4BE
US Placement Agent	Roth Capital Partners, LLC 888 San Clementine Drive Newport Beach CA 92660, USA	
Legal Adviser to the Company	Covington & Burling LLP 265 Strand London WC2R 1BH	
Legal Adviser to the Sponsor, Global Co-ordinator and Bookrunner and the UK Placement Agent	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA	
Auditors and Reporting Accountants	PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading RG1 3JH	
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

Expected Timetable of Principal Events

Announcement of the Fundraising and publication and dispatch of this document (including Notice of General Meeting) and Form of Proxy	13 September 2016
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via the CREST system	10.00 a.m. on 27 September 2016
General Meeting	10.00 a.m. on 29 September 2016
Announcement of the results of the General Meeting through an RIS	29 September 2016
Admission and commencement in dealings in the New Ordinary Shares expected to commence	8.00 a.m. on 4 October 2016
CREST Stock accounts expected to be credited for New Ordinary Shares	as soon as practicable after 8.00 a.m. on 4 October 2016
Share Certificates for New Ordinary Shares expected to be dispatched	within 14 days of Admission

Notes

(1) Each of the times and dates in the above timetable are times in London unless otherwise stated and is subject to change by the Company in consultation with or, if required, with the agreement of Jefferies, in which event details of the new times and/or dates will be notified to the Financial Conduct Authority and the London Stock Exchange and, where appropriate, Shareholders.

Statistics relating to the Fundraising

Offer Price per New Ordinary Share	3 pence
Discount to Existing Ordinary Shares[1]	28.6 per cent.
Number of Existing Ordinary Shares in issue as at 12 September 2016 (being the latest practicable date prior to the publication of this document)	2,703,806,022
Number of Placing Shares to be issued pursuant to the Placing	184,255,000
Number of Subscription Shares to be issued pursuant to the Subscription	199,116,665
Aggregate number of New Ordinary Shares to be issued pursuant to the Fundraising	383,371,665
Enlarged Share Capital immediately following completion of the Fundraising[2]	3,087,177,687
Estimated gross proceeds of the Fundraising	£11.5 million
Estimated net proceeds of the Fundraising receivable by the Company	£10 million
Fundraising Shares as a percentage of the Enlarged Share Capital	12.4 per cent.

1 The discount is to the middle price of Existing Ordinary Shares at the close of business on 12 September 2016, being the latest practicable date prior to the announcement of the Fundraising.

2 This assumes no further exercise of options under the Share Schemes.

Part 1

Letter from the Chairman of Oxford BioMedica plc

(Oxford BioMedica, incorporated in England and Wales with registered no 3252665)

Lorenzo Tallarigo	*Non-executive Chairman*	*Registered Office*
John Dawson	*Chief Executive Officer*	Windrush Court
Tim Watts	*Chief Financial Officer*	Transport Way
Peter Nolan	*Chief Business Officer*	Oxford
Andrew Heath	*Deputy Chairman and Senior Independent Director*	OX4 6LT
Martin Diggle	*Non-executive Director*	
Stuart Henderson	*Independent Non-executive Director*	

13 September 2016

To: Shareholders and, for information only, to holders of options under the Share Schemes

Dear Shareholder,

PLACING AND SUBSCRIPTION TO RAISE NET PROCEEDS OF £10 MILLION RELATED PARTY TRANSACTION AND NOTICE OF GENERAL MEETING

1. Introduction

The Fundraising

The Company announced on 13 September 2016 that it intends to raise net proceeds of £10 million by the issue of 184,255,000 New Ordinary Shares by means of a Placing and 199,116,665 New Ordinary Shares by means of a Subscription at a price of 3 pence per New Ordinary Share. The Offer Price of 3 pence per New Ordinary Share represents a 28.6 per cent. discount to the Closing Price of 4.2 pence on 12 September 2016 (being the last practicable date prior to the announcement of the Fundraising).

Jefferies is acting as Global Co-ordinator and Bookrunner for the Company, WG Partners and Scott Harris are acting as UK Placement Agents for the Company and Roth Capital is acting as US Placement Agent for the Company in connection with the Fundraising. Jefferies has also been appointed as Sponsor.

Jefferies, WG Partners and Scott Harris have conditionally agreed, as agents of the Company, to use their reasonable endeavours to procure Placees outside the United States to subscribe for the Placing Shares at the Offer Price.

To the extent Jefferies is not able to procure Placees to subscribe for all of the Placing Shares it has agreed, subject to the terms and conditions of the Placing Agreement, to subscribe itself at the Offer Price for such shares.

Pursuant to Subscription Agreements with the Company, Subscribers have subscribed for the Subscription Shares at the Offer Price. The Subscription is not underwritten.

The Offer Price of 3 pence per New Ordinary Share represents a 28.6 per cent. discount to the Closing Price of an Existing Ordinary Share of 4.2 pence on 12 September 2016 (being the latest practicable date prior to the publication of this document). The Offer Price was decided following a ''book-building'' exercise, which is a mechanism through which institutional investor support for a fundraising is ascertained. In order to ensure sufficient support for the Fundraising, it was determined that an Offer Price representing a discount in excess of 10 per cent. was necessary. As the discount is in excess of 10 per cent., Shareholder approval for such discount is being sought at the General Meeting, in accordance with the Listing Rules and Shareholders should note that, following the issue of the New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.

Related Party Transaction

Vulpes Life Sciences Fund and Vulpes Testudo Fund are each proposing to participate in the Subscription. Both Vulpes Testudo Fund and Vulpes Life Sciences Fund are managed by Vulpes Investment Management of which Martin Diggle, a Non-executive Director of the Company, is a founder. The participation in the Subscription of Vulpes Life Sciences Fund, being a ''substantial

shareholder'' as defined by the Listing Rules, constitutes a ''related party transaction'' for the purposes of Chapter 11 of the Listing Rules. As an ''associate of a related party'', Vulpes Testudo Fund's participation in the Subscription also constitutes a ''related party transaction'' for the purposes of Chapter 11 of the Listing Rules. Vulpes Life Sciences Fund's interests as a ''substantial shareholder'' and Vulpes Testudo Fund's interests as ''an associate of a related party'' may diverge from those of the other Shareholders.

Shareholder Approval

The Fundraising, the Offer Price (which represents a discount in excess of 10 per cent. of the Closing Price at the time of the announcement of the Fundraising) and the Related Party Transaction are conditional, *inter alia*, on the passing by Shareholders of the Resolutions at the General Meeting, which is being convened for 10.00 am on 29 September 2016. It is expected that, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 am on 4 October 2016.

Purpose of this document

The purpose of this document is:

i) to provide you with information about the proposed Fundraising;

ii) to provide you with information about the proposed Related Party Transaction;

iii) to convene the General Meeting;

iv) to explain why the Board considers that the Fundraising is in the best interests of Oxford BioMedica and the Shareholders as a whole;

v) to explain why the Board considers the Related Party Transaction to be fair and reasonable and in the best interests of Oxford BioMedica and the Shareholders as a whole; and

vi) to explain why the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings.

Pursuant to the requirement of Chapter 11 of the Listing Rules, Vulpes Life Sciences Fund as a Related Party, will abstain, and has undertaken to take all reasonable steps to ensure that its associates will abstain, from voting on the Related Party Resolution at the General Meeting.

In the event that any of the Resolutions are not passed at the General Meeting, the Fundraising will not proceed.

You are recommended to read the whole of this document and not to rely on only part of it. In particular, you are advised to consult the section entitled ''Risk Factors'' on pages 17 to 37 of this document and the ''Glossary'' at the end of this document, which sets out definitions of certain scientific and technical terms.

2. Strategy of Oxford BioMedica and background to and reasons for the Fundraising

Business model and strategy

The Company's business model is based on its integrated proprietary LentiVector® gene delivery platform technology. The Group has created, and is still developing, a lentiviral vector gene delivery platform (LentiVector®) which can be used for both *in vivo* and *ex vivo* gene and cell therapy products. The LentiVector® platform, which underpins Oxford BioMedica's business model, is a unique combination of intellectual property (patents, trademarks and proprietary know-how), the Group's bioprocessing and laboratory facilities, and the Group's highly skilled workforce. This platform, which has been developed over twenty years, is the foundation for the design and development of gene and cell therapy products both by Oxford BioMedica and by its partner companies. The strengths of the platform have increasingly been recognised through commercial relationships with Sanofi, Novartis, GlaxoSmithKline and Immune Design and the R&D collaboration with Green Cross LabCell. In addition, the Company has entered into an agreement with MolMed for a non-exclusive licence to Oxford BioMedica's LentiVector® platform technology patents for manufacturing and development services. The Company is also in discussions with other companies seeking to make use of the LentiVector® platform.

Lentiviral vectors have demonstrated advantages over other vector types, particularly adeno associated viruses, for specific applications. These advantages include:

- having a larger genetic payload capacity, as such lentiviral vectors can address certain diseases and genetic disorders which other vector types currently cannot;
- being able to integrate with target cells, meaning that they can be used with non-dividing and dividing cells which is important for *ex vivo* cell therapies; and
- patients do not have pre-existing immunity to lentiviral vectors, because very few humans are infected by lentiviruses in comparison to the many who have been infected with adeno associated viruses.

The Group's strategy is to discover and develop novel, potentially single dose and/or curative treatments for patients with conditions where either no therapy currently exists, or where the current standard of care has significant limitations by using its integrated LentiVector® gene delivery platform technology. This strategy will be pursued through:

- **Generating revenues by providing process development and bioprocessing services to third parties.** The Group aims to maintain its leading position in lentiviral vector bioprocessing by further improving its vector bioprocessing processes, thus extending the intellectual property protecting its platform bioprocessing processes (both patents and know-how). In particular the Group is currently developing bioreactor bioprocessing processes which have the potential to increase yields and reduce unit bioprocessing costs of a patient dose. At the same time, the Group expects to continue to grow its process development and bioprocessing services through partnering opportunities, currently based largely on its Novartis contracts, and the Group is in discussions with a number of other companies that are developing lentivirus-based products and require process development and/or bioprocessing, and the Company also anticipates that further potential but as yet unknown partners will emerge in due course. The Company expects that some of these discussions will be converted into partnership contracts and that the revenues from process development and bioprocessing in the short and medium term will help over time to defray the costs in the business including the Company's expenditure on R&D.
- **Using the Group's LentiVector® platform to develop cell and gene therapy products.** The Group's product candidates comprise three ''Priority Programmes'', OXB-102 for Parkinson's Disease, OXB-202 for corneal graft rejection and OXB-302 for cancer, which are the focus of the Company's development pipeline; two ''Other Candidates'', OXB-201 for wet AMD and OXB-301 for cancer; and two ''Partnered'' ocular product candidates which have already been out-licensed to Sanofi. Taking into account the balance of risk and reward in the context of the substantial investment required over the next two to three years to conduct the Phase I/II studies, the Group has decided that the optimal development model for the current wholly-owned in-house clinical product candidates is to spin them out into one or more product-focused special purpose vehicles (SPVs) with dedicated externally-sourced funding or to out-licence them. This approach aims to ensure that the Group's priority clinical assets are advanced via external funding as expediently as possibly whilst Oxford BioMedica captures value via a potential combination of upfront payments and/or equity stakes, development milestones and royalties. In addition, it is also the intention that the terms of the SPV or out-licensing agreements would require the partner to contract back to the Group any further vector engineering or process development that is required and also the manufacturing requirements for clinical studies and commercialisation. The Group plans to continue to work on earlier-stage research and pre-clinical concepts to build new intellectual property and to identify the next generation of product candidates for clinical stage development which could either be out-licensed or spun out. When appropriate opportunities arise, the Group will also consider in-licensing technologies and/or products to which the Group can add value.
- **Developing relationships with companies, universities and hospitals which require the Group's expertise and intellectual property to accelerate their own programmes by means of collaborations, in-licensing or out-licensing and, potentially, acquisitions.** In the past several years, the Group has entered into commercial relationships with Novartis, Sanofi, GlaxoSmithKline, Immune Design and Green Cross LabCell, which have given the Group an active participation in the development of, and a financial interest in, some of their gene and cell therapy programmes, for example Novartis' CTL019 as indicated in the ''Partnered and IP Enabled & Royalty Bearing Product Candidates'' candidates, as set out below.

Further information on the Company's current product candidate portfolio and strategy can be found at Part 2 ''Information on Oxford BioMedica plc'' of this document.

Background to and reasons for the Fundraising

Following the signing of the Novartis contract in October 2014, the Board decided to expand the Company's bioprocessing and laboratory capacity. This was partly to meet the commitments given under the Novartis contract and partly to enable the Company to take advantage of the increase in demand for lentiviral vector process development and bioprocessing which was beginning to emerge in 2014. Since October 2014, the Company has added two new state-of-the-art GMP clean room facilities, an additional one at the Harrow House facility and one on a separate site at Yarnton, near Oxford. The Company has also acquired Windrush Court in Oxford in which it has installed a completely new suite of biological laboratories for product and process development, and analytical testing of GMP material. The Company has also, during the last eighteen months, recruited and trained the staff necessary to operate the expanded facilities. The new state-of-the-art facilities are completely developed and fully operational and the Group is now in a position to handle significantly higher levels of activity than it was capable of before this year.

In parallel with the capacity expansion, the Group has continued with the development of its Priority Programmes: OXB-102, its Parkinson's Disease programme; OXB-202, its corneal graft rejection programme; and OXB-302, its cancer programme. A Phase I/II dose escalation study for OXB-102 has been designed and the study protocol is in the process of being approved by the regulatory authority. The study could commence by early 2017 subject to successfully out-licensing or spinning out the product. In respect of OXB-202, it is anticipated that the clinical trial application for the Phase I/II clinical study will be submitted by the end of 2016, and patients could commence treatment in the first half of 2017, again, subject to successfully out-licensing or spinning out the product. Furthermore, OXB-302, and the Group's CAR-T 5T4 programme, should complete its pre-clinical studies by the end of 2016.

The Company raised £20.1 million net of expenses through a placing and open offer in June 2014 for the purpose of continuing the development of its product portfolio. The capacity expansion programme, which is now complete, cost the Company approximately £26 million between October 2014 and June 2016 and has been funded by drawing down $40 million (£26.1 million) of a $50 million loan facility put in place with Oberland. The Group raised a further £7.5 million net of expenses through a placing in February 2016, in order to continue the investment in the product portfolio.

If any of the Resolutions in the Notice of General Meeting are not approved the Fundraising will not proceed. In these circumstances the Directors are of the opinion that the Group will have sufficient finances to only fund the business until towards the end of the fourth quarter of 2016 and the Group will need to implement cost-saving measures that will severely constrain the Group's ability to implement its business strategy. In the event that any of the Resolutions are not passed and the Fundraising does not proceed, the Directors do not believe that such cost-saving measures will successfully make up the cash shortfall to allow the Company to continue as a going concern significantly beyond December 2016. If the Company were to be unsuccessful in pursuing alternative courses of action by the fourth quarter of 2016, the Directors will be obliged to cease operations, the consequences of which could include administration or receivership, or liquidation or other insolvency proceedings. In such circumstances, Shareholders could lose all or a substantial amount of the value of their investment in the Company. Accordingly, it is important that Shareholders vote in favour of all of the Resolutions in order that the Fundraising may proceed. Please refer to paragraph 17 (Importance of the Vote) of this Part 1 "Letter from the Chairman of Oxford BioMedica plc" for further details.

The principal purposes of the Fundraising are to raise funds to allow the Group to:

i) further progress its discovery and pre-clinical projects with the objective of identifying at least one new product suitable for clinical development within a two year horizon;

ii) continue to develop valuable intellectual property relating to LentiVector® platform; and

iii) to provide the Group with working capital whilst it continues to grow its bioprocessing revenues.

3. Use of proceeds

The Company intends to use the net proceeds of £10 million raised pursuant to the Fundraising as follows:

Use	approx. million
Funding discovery and pre-clinical projects	£5
Funding the development of LentiVector® platform	£3
Increase in working capital	£2
Total	**£10**

Expenses of the Fundraising are expected to be approximately £1.5 million. No expenses will be charged to subscribers of New Ordinary Shares in connection with the Fundraising.

The Fundraising is conditional upon Shareholder approval being obtained at the General Meeting and is conditional upon the Placing Agreement and the Subscription Agreements becoming unconditional and remaining in full force and effect and not having lapsed or been terminated prior to Admission. In the event that any of the Resolutions are not passed at the General Meeting, the Fundraising will not proceed. In addition, Admission will not go ahead in the event that the Placing Agreement or any of the Subscription Agreements do not become unconditional, or are otherwise terminated, prior to Admission.

4. Principal terms of the Fundraising

Oxford BioMedica intends to issue 184,255,000 New Ordinary Shares through a Placing and 199,116,665 New Ordinary Shares through a Subscription in each case, at 3 pence per New Ordinary Share to raise gross proceeds of £11.5 million. The Offer Price of 3 pence per New Ordinary Share represents a 28.6 per cent. discount to the Closing Price of an Existing Ordinary Share of 4.2 pence on 12 September 2016 (being the latest practicable date prior to the announcement of the Fundraising) and Shareholders should note that the issue of the New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.

Placing

Jefferies, WG Partners and Scott Harris, as agents for Oxford BioMedica, have conditionally placed, on the terms set out in the Placing Agreement, the Placing Shares at the Offer Price with existing Shareholders and other institutional investors outside the United States, representing gross proceeds of £5.5 million. The Placing is being fully underwritten by Jefferies on the terms and subject to the conditions set out in the Placing Agreement. A summary of the Placing Agreement is set out in paragraph 10 of Part 6 of this document.

Subscription

Pursuant to Subscription Agreements with the Company, Subscribers have conditionally subscribed for the Subscription Shares at the Offer Price representing gross proceeds of £6.0 million. The Subscription is not underwritten. A summary of the terms of a Subscription Agreement is set out in paragraph 11(b) of Part 6 of this document.

5. Financial effects of the Fundraising

Had the Fundraising occurred at the start of the financial period, the net assets as at 30 June 2016 would have increased by the net proceeds.

This statement does not constitute a profit forecast and should not be interpreted to mean that the earnings per share in any financial period will necessarily match or be lesser or greater than those for the relevant preceding period.

6. Dilutive effect of the Fundraising

Upon Admission, and assuming the passing of all the Resolutions and no further exercise of options under the Share Schemes, the Enlarged Share Capital is expected to be 3,087,177,687 Ordinary

Shares. On this basis, New Ordinary Shares issued through the Fundraising will represent 12.4 per cent. of the Enlarged Share Capital.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders will suffer a dilution of approximately 14.2 per cent. to their interests in the Company.

7. Trading update and outlook

Financials update

In the first six months of 2016, gross income (the aggregate of revenue and other operating income) amounted to £14.0 million (unaudited), up 141 per cent. on the same period in 2015 (unaudited), and the Group continues to expect to make further progress during the remainder of the year.

The Group began 2016 with £9.4 million cash and raised a further £7.5 million (net) from a placing of shares in February 2016. As at 30 June 2016, the Group's net debt was £19.4 million, including £11.9 million of cash. On 28 April 2016 the Group indicated that it had sufficient cash to last well into the third quarter of 2016, without including any potential inflows from further contracts or licence agreements. Since then, the Group has received a number of firm purchase orders for bioprocessing batches of lentiviral vector later this year and in the first half of 2017 which have extended the period until towards the end of the fourth quarter of 2016.

Overall, the Group is continuing to trade in line with management expectations and, on Admission, the Directors believe it will be in an excellent position to progress its partners' programmes, secure further partnerships and advance its in-house pipeline through out-licensing or spin outs.

Process development and bioprocessing progress

The Group expects to make further progress growing its process development and bioprocessing services in the remainder of 2016 and 2017 by entering into new contracts structured in a similar way to the Group's current agreements with Novartis and Immune Design. The Group is in discussions with a number of other companies that are developing lentivirus-based products and require process development and/or bioprocessing and, although there can be no assurances that any definitive agreements will be concluded, the Company expects that some of these discussions will be converted into partnership contracts.

R&D update

The Group is continuing to invest in further development of its LentiVector® platform to improve the volumes and yields that can be obtained from the manufacturing processes and to improve the efficacy of the vectors when they transduce target cells. This work will add to the Company's know-how and help to retain its leadership in lentiviral vector expertise.

As stated earlier, the Board has decided that in order to optimise the use of the Group's cash resources, its product programmes will be out-licensed or spun out prior to the start of Phase I/II clinical studies. Over the course of the last six months, the Group has continued to make progress on these programmes, and this progress will continue as outlined below, subject to agreeing terms for an out-licensing or spin out agreement with one or more third parties:

- *OXB-102 for Parkinson's Disease*: Patients will be treated at the same Paris and Cambridge sites that were involved in the earlier OXB-101 clinical study. The regulatory approval process for a Phase I/II study is underway in the UK, and it is anticipated that the first patient could commence treatment by early 2017, with the French regulatory submission potentially towards the end of 2016. In May 2016, Professor Stephane Palfi, the lead investigator, presented information at the 19th Annual Meeting of the American Society of Gene and Cell Therapy (ASGCT) showing evidence of encouraging long-term sustained benefit of at least four years duration to patients treated in the original OXB-101 study.
- *OXB-202 for corneal graft rejection*: It is anticipated that the clinical trial application for Phase I/II clinical study will be submitted by the end of 2016 and that patients could commence treatment in the first half of 2017. The first site for the clinical study is likely to be at Moorfields Eye Hospital in London although further sites, potentially in the US, may be opened once the study is underway.
- *OXB-302 for cancer*: Expected to complete pre-clinical studies by the end of 2016. Following demonstrations of pre-clinical concept, clinical planning is likely to be initiated.

Oxford BioMedica continues to invest in earlier stage gene and cell therapy product concepts, sometimes with partners, with the aspiration to be able to identify one new product (in addition to

the ones named above) suitable for clinical development over the next two years which could be considered for partnering, out-licensing or being spun out.

The net investment in the above R&D activities in 2015 was £10.2 million and £6 million in the first half of 2016 after grant income and deduction of its share of support and corporate overheads. The Group expects its net investment in its R&D in the second half of 2016 to continue at around this level as the preparations for clinical studies of OXB-102 and OXB-202 are finalised and the OXB-302 pre-clinical work is completed. However, investment in R&D is expected to decline by between 20 per cent. to 30 per cent. in 2017 as the financing of the Priority Programmes is transferred to third parties in line with the decision to out-license or spin out clinical stage product development outlined above.

Facility expansion

In January 2016, the Group brought into production the new state-of-the-art GMP bioprocessing facility at Yarnton, Oxford, and is now producing CTL019 vector batches for Novartis in both its original Harrow House clean room and at Yarnton. The expansion of the Harrow House facility by adding a second clean room suite has also been completed and MHRA approval for bioprocessing obtained. This facility is intended to be used for the Group's newly developed bioprocessing activities and several bioreactor batches are scheduled for the second half of 2016. The construction of the new laboratory complex at Windrush Court was completed in May 2016 and this facility has also been approved for the analytical testing of GMP material. All laboratory-based staff have relocated from the Medawar Centre to Windrush Court and the Medawar Centre will be fully vacated by the end of October 2016.

The total capital expenditure to complete all these facilities in the period from October 2014 to mid-2016 was approximately £26 million, of which £6 million was incurred in the first half of 2016. The Group's headcount at 30 June 2016 was 252 and this is expected to rise to approximately 280 by the end of 2016 to enable the Group to fully utilise the new facilities.

8. Related Party Transaction

In accordance with a Subscription Agreement, Vulpes Life Sciences Fund has agreed to subscribe for 66,666,667 New Ordinary Shares as part of the Subscription at the Offer Price and Vulpes Testudo Fund has agreed to subscribe for 33,333,333 New Ordinary Shares as part of the Subscription at the Offer Price.

Both Vulpes Life Sciences Fund and Vulpes Testudo Fund are managed by Vulpes Investment Management of which Martin Diggle, a Non-executive Director of the Company, is a founder. The participation in the Subscription by Vulpes Life Sciences Fund, being a ''substantial shareholder'' as defined by the Listing Rules, constitutes a ''related party transaction'' for the purposes of Chapter 11 of the Listing Rules. As an ''associate of a related party'', Vulpes Testudo Fund's participation in the Subscription also constitutes a ''related party transaction'' for the purposes of Chapter 11 of the Listing Rules. Vulpes Life Sciences Fund's interests as a ''substantial shareholder'' and Vulpes Testudo Fund's interests as an ''associate of a related party'' may diverge from those of the other Shareholders.

The Company is required by Chapter 11 of the Listing Rules to seek Shareholder approval for any ''related party transaction'' which it proposes to enter into. Resolution 4 set out in the Notice of General Meeting seeks, by way of ordinary resolution, the approval of Shareholders for Vulpes Life Sciences Fund and Vulpes Testudo Fund to participate in the Subscription.

Pursuant to the requirements of Chapter 11 of the Listing Rules, Vulpes Life Sciences Fund, as a Related Party, will not vote on Resolution 4 approving the Related Party Transaction and has undertaken to take all reasonable steps to ensure that its associates will not do so either.

The Directors (excluding Martin Diggle) hold 12,711,458 Existing Ordinary Shares representing approximately 0.5 per cent. of the existing issued ordinary share capital of the Company in aggregate. All of the Directors (excluding Martin Diggle) have subscribed for New Ordinary Shares as part of the Subscription amounting to 3,466,665 New Ordinary Shares in aggregate. Immediately following Admission, the Directors' holdings, excluding Martin Diggle, are expected to represent 0.5 per cent. of the issued Ordinary Shares of the Company.

9. Irrevocable commitments

The Directors (excluding Martin Diggle), who in aggregate hold 12,711,458 Existing Ordinary Shares, representing approximately 0.5 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

In addition, Vulpes Life Sciences Fund, which holds 475,850,000 Existing Ordinary Shares, representing approximately 17.6 per cent. of the existing issued ordinary share capital of the Company, has irrevocably undertaken to vote in favour of Resolutions 1 to 3 at the General Meeting and not to vote on Resolution 4 approving the Related Party Transaction. Vulpes Life Sciences Fund has also undertaken to take all reasonable steps to ensure that its associates will not vote on Resolution 4 approving the Related Party Transaction.

10. General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH on 29 September 2016 at 10.00 a.m. where the following Resolutions will be proposed:

Resolution 1

An ordinary resolution to approve the issue of New Ordinary Shares at 3 pence per share, at a discount in excess of 10 per cent. of the Closing Price of the Existing Ordinary Shares at the time of agreeing the Fundraising. This resolution is required because the Listing Rules require shareholder approval for a discount in excess of 10 per cent.

Resolution 2

An ordinary resolution to authorise the Directors to allot relevant securities for the purposes of section 551 of the Companies Act provided that such power be limited to the allotment of the New Ordinary Shares up to an aggregate nominal amount of £3,833,716.65. This resolution is conditional upon the passing of Resolutions 1 and 4.

Resolution 3

A special resolution to grant the Directors authority to allot equity securities for cash pursuant to the authority conferred on them by Resolution 2 and to disapply statutory pre-emption rights in respect of the allotment of such shares as if section 561 of the Companies Act did not apply to such allotment, provided that such power shall be limited to the allotment of the New Ordinary Shares up to an aggregate nominal amount of £3,833,716.65. This resolution is conditional upon the passing of Resolutions 1, 2 and 4.

Resolution 4

An ordinary resolution to approve, as a related party transaction, Vulpes Life Sciences Fund and Vulpes Testudo Fund's participation in the Subscription. This resolution is conditional upon the passing of Resolutions 1, 2 and 3.

All the Resolutions are inter-conditional, therefore, if any of the Resolutions are not passed the Fundraising will not proceed.

It should be noted that whilst the provisions of section 570 of the Companies Act confer on Shareholders rights of pre-emption on the allotment of equity securities for cash, Resolution 3 seeks to disapply this right for the purpose of the Fundraising.

The authority and the power described in Resolutions 2 and 3 above will (unless previously revoked or varied by the Company in general meeting) expire on the date 15 months from the passing of such resolutions or at the conclusion of the next annual general meeting of the Company following the passing of the resolutions, whichever occurs first. The authority and the power described in Resolutions 2 and 3 above are in addition to any like authority or power previously conferred on the Directors.

As described in paragraph 8 above, Vulpes Life Sciences Fund will abstain, and has undertaken to take all reasonable steps to ensure that its respective associates will abstain, from voting on Resolution 4 at the General Meeting.

11. Actions to be taken

In respect of the General Meeting

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to be present at the meeting, the Form of Proxy should be completed in accordance with the instructions printed thereon and returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or submitted electronically through CREST or via www.capitashareportal.com as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 27 September 2016. The completion and return, or submission electronically, of a Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish.

12. Dividend policy

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions (if any) declared, paid or made by Oxford BioMedica after Admission. However, at present, it is intended that no dividends will be paid by Oxford BioMedica as the Company continues to finance the operation of its business.

13. Additional information

You are recommended to read all the information contained in this document and not just rely on the key or summarised information and your attention is drawn to the information set out in Parts 2 to 6 of this document.

14. Risk Factors

Shareholders and investors should consider fully the Risk Factors associated with the Group, the Fundraising and the New Ordinary Shares. Your attention is drawn to the Risk Factors set out in pages 17 to 37 (inclusive) of this document.

15. Taxation

Information about United Kingdom and United States taxation is set out in paragraphs 15 and 16 of Part 6 ''Additional Information'' of this document. This information is a general guide only as to the current tax position in those jurisdictions. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom or the United States, you should consult your own independent professional adviser without delay.

16. Working Capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Fundraising, the Group has sufficient working capital for its present requirements, that is for at least 12 months following the publication of this document.

17. Importance of the Vote

If any of the Resolutions in the Notice of General Meeting are not approved the Fundraising will not proceed. In these circumstances the Directors are of the opinion that the Group will have sufficient finances to only fund the business until towards the end of the fourth quarter of 2016.

This assumes that the Group will only generate those revenues which have already been contracted or which the Directors believe have a high probability of being realised. However, it does not take into account any potential upfront licence payments should the Company be successful in partnering any of the Group's product candidates before the end of the fourth quarter of 2016, nor does it include potential revenue from other IP partnering or licensing transactions. Although it is possible that near term milestone payments and partnering transactions could increase available funds, the Directors cannot be certain that any such revenues will materialise before the end of the fourth quarter of 2016, if at all, and the receipt of such funds lies outside the full control of the Company. For the avoidance of doubt, the Company is required under the Oberland Facility to maintain cash and cash equivalents of not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding (in pounds sterling terms, this sum is subject to variation depending on the prevailing exchange rate) and therefore this sum is excluded from the Company's assessment of its available funds.

The Company would need £9 million to fund the business to the end of 2017, based on the above assumptions and the Board's current plans, which highlights the significance of the current financial position, if any of the Resolutions in the Notice of General Meeting are not approved.

In the event that any of the Resolutions are not passed by Shareholders and the Fundraising fails to proceed, the Directors will seek to implement the actions detailed below immediately.

- The Group would seek to access the $10 million (approximately £7.6 million) of cash and cash equivalents which is restricted under the terms of the Oberland Facility. This would require Oberland's consent and there can be no certainty that Oberland would consent to the Group having access to the restricted $10 million (approximately £7.6 million) within the timeframe required, or that their requested compensation for doing so would be acceptable to the Group, to prevent a working capital shortfall, or at all.
- The Group would seek alternative forms of financing. However, the Directors cannot guarantee that it will be possible to obtain any such alternative forms of financing within the required timeframe, if at all, or that such financing, if obtained, will be on terms as attractive as the Fundraising for Shareholders.
- The Group would seek to accelerate some of its partnering and out-licensing transactions. However, the Directors cannot guarantee that it will be possible to agree terms that are as favourable as they would have been if the programmes were not accelerated and there can be no guarantee that terms could be agreed within the timeframe required to prevent a working capital shortfall.
- The Group would seek to reduce its cost base by suspending all discretionary pre-clinical and internal product development activities, potentially mothballing one or more of the GMP clean room suites and also by implementing redundancies and cutting back on all other non project-related discretionary expenditure, which is likely to reduce the capabilities of the Group in order to conserve cash. While the implementation of such reductions to the Group's cost base may improve the Group's ability to conserve cash, there can be no guarantee that any resulting cost savings will be realised quickly enough to prevent a working capital shortfall, or at all, and, in any event, the Directors do not anticipate that the quantum of such savings would be sufficient enough to prevent a working capital shortfall.

Notwithstanding the measures outlined above, in the event that any of the Resolutions are not passed and the Fundraising does not proceed, the Directors do not believe that the above actions will successfully make up the cash shortfall to allow the Company to continue as a going concern significantly beyond December 2016. If the Company were to be unsuccessful in pursing these alternative courses of action by the fourth quarter of 2016, the Directors will be obliged to cease operations, the consequences of which could include administration or receivership, or liquidation or other insolvency proceedings. In such circumstances, Shareholders could lose all or a substantial amount of the value of their investment in the Company. Accordingly, it is important that Shareholders vote in favour of all of the Resolutions in order that the Fundraising may proceed.

18. Financial advice

The Board has received financial advice from Jefferies in relation to the Fundraising. In providing its financial advice to the Board, Jefferies has relied on the Board's commercial assessment of the Fundraising.

19. Recommendation

The Board believes that the Fundraising the Offer Price (which represents a discount in excess of 10 per cent. of the Closing Price at the time of the announcement of the Fundraising) and the Related Party Transaction are in the best interests of Oxford BioMedica and the Shareholders as a whole.

The Board (excluding Martin Diggle who has not taken part in the Board's consideration of the matter) which has been so advised by Jefferies, believes that the Related Party Transaction is fair and reasonable so far as Shareholders are concerned. In providing such advice to the Directors (excluding Martin Diggle), Jefferies has taken into account the Directors' commercial assessments of the Related Party Transaction.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting, as those Directors who hold shares have irrevocably undertaken to do, (although Vulpes Life Sciences Fund will abstain, as required, and has undertaken to

take all reasonable steps to ensure that its respective associates will abstain, from voting on the Related Party Resolution relating to its Related Party Transaction).

Yours faithfully,

Lorenzo Tallarigo
Chairman

Part 2

Information on Oxford BioMedica plc

Investors are advised to read the whole of this document and not rely on only part of it. In particular, investors are advised to consult the Glossary at the end of this document, which sets out the definitions of certain scientific and technical terms. The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and, as far as they are aware and are able to ascertain from information prepared by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1. Business Overview

Oxford BioMedica is a leader in the field of gene and cell therapy. The Group is developing a proprietary pipeline of innovative therapeutic candidates for diseases in the fields of the central nervous system, ophthalmology and oncology, and it also provides process development and bioprocessing services to partner companies in return for fees and long term interest in its partners' products.

Gene and cell therapy has been a high-profile area for research and development ("R&D") over the last 20 years. Gene and cell therapy is the treatment of disease by delivering therapeutic DNA into a patient's cells and potentially offers major opportunities for the treatment of a wide range of diseases. The therapeutic DNA can be used to replace or correct a faulty gene, or to encode a therapeutic protein to provide treatment. The approach offers the prospect of long-term and possibly permanent treatment or cure for many common and rare diseases which are currently poorly treated. Inevitably, such a fundamental new technology has taken time to evolve and safety concerns have been paramount. However, in the last few years, confidence in the ultimate success of gene and cell therapy has increased with a significant increase in investment activity. Indeed, the gene and cell therapy field is predicted to grow into a multi-billion dollar sector over the next five to ten years as products in late stage development reach the market (Clive Glover, GE Healthcare "Sales of cell and gene therapy will reach $10 billion by 2021", October 2015). The industry expects several products within the sector, especially *ex vivo* cell therapies such as Novartis' CTL019, to be launched within the next few years.

There are multiple participants active in the *ex vivo* cell therapy space, particularly in the immune oncology sector, with large pharmaceutical and biotechnology companies developing CAR-T, TCR, and NK cells. Several of these *ex vivo* therapies may require lentiviral vector development, bioprocessing and IP, which the Directors believe Oxford BioMedica is well placed to provide.

In 2012, the EMA approved Glybera, a gene therapy for the treatment of hyperlipoproteinemia Type 1, a very rare condition. Glybera was the first gene therapy product to have been approved in Europe and in May 2016 GlaxoSmithKline received approval for Strimvelis for treatment of ADA-SCID in Europe. As yet, no gene therapies have been approved in the US. Since 2013 there have been a significant number of financing and product development transactions involving companies specialising in gene and cell therapies, including Oxford BioMedica.

The Directors believe that Oxford BioMedica is well placed to benefit from the evolution in gene and cell therapy. The Company has a proprietary integrated LentiVector® gene delivery platform, developed over twenty years, that can be used for both *in vivo* and *ex vivo* products for the Company's in-house programmes and for partners. The Company has been developing three priority in-house programmes in Parkinson's Disease, corneal graft rejection and cancer. Two further ocular gene therapy products have already been licensed to Sanofi and the Company has an economic interest in a number of partners' development products. The Board recognises that the Phase I/II clinical studies for these programmes would require substantial investment over the next two to three years and so it has decided that these programmes should be out-licensed or spun out in order to optimise both the development of the products and the use of the Group's financial resources. The Company's bioprocessing capability, and its extensive development expertise in this area, also provides opportunities to generate revenues from partners who require these specialist services. Revenues from the Company's intellectual property estate are also possible. As well as Sanofi's licence agreement with Oxford BioMedica for SAR422459 and SAR421869 (which is described in further detail below), GlaxoSmithKline has taken an option for up to six licences under Oxford BioMedica's LentiVector® technology for orphan indications and, in October 2015, GlaxoSmithKline exercised this option in respect of two of these product candidates.

The Group's integrated technology platform

The delivery of DNA that encodes therapeutic proteins to patients' cells is critical to the success of gene and cell therapies, whether *in vivo* or *ex vivo*. This is achieved using viral vectors, viruses which have been modified so that they are safe and can carry the required genetic payload with which the patient's cells can be genetically modified. Vectors are based on several types of viruses with the most commonly used being adeno-associated viruses ("AAV") and lentiviruses. Lentivirus-based vectors have several advantages over AAV-based vectors for certain applications: they can carry a larger genetic payload than AAV, which enables treatment of diseases (such as Stargardt Disease and Usher syndrome type 1B) that require replacement of large genes; they can genetically modify both non-dividing and dividing cells, which is useful for directly delivering gene therapy to neurons and the eye; and they can be used in cell therapy (engineered stem cells and engineered T cells (e.g. CAR-T)). Lentivirus-based vectors also offer the potential for a "one shot" treatment giving long-term or even permanent stable expression of the transgene and therefore efficacy, with low immunogenicity.

The Group has created, and is still further developing, its proprietary lentiviral vector gene delivery platform (LentiVector®) which can be used for both *in vivo* and *ex vivo* products. The LentiVector® platform, which underpins Oxford BioMedica's business model, has at its core the Group's intellectual property (patents, trademarks and proprietary know-how), the Group's bioprocessing and laboratory facilities, and the Group's highly skilled workforce.

The Directors believe that the Group's Priority Programmes, which are based on the LentiVector® platform, should be attractive to third parties who might wish to in-license them or finance their development because they have the potential to provide long-lasting effects, dramatically and positively changing the lives of patients.

The Group has also used the LentiVector® platform to establish several partnerships with pharmaceutical companies that the Directors believe helps to validate its core strengths in gene and cell therapies. Partnering with companies enables them to develop better gene and cell therapy products more quickly, in exchange for which the Group can acquire an economic interest in partners' products. To date the Group has established commercial relationships with Novartis, Sanofi, GlaxoSmithKline, Immune Design and Green Cross LabCell.

2. Oxford BioMedica's strategy

The Group's strategy is to discover and develop novel, potentially single dose and/or curative treatments for patients with conditions where either no therapy currently exists, or where the current standard of care has significant limitations by using its integrated LentiVector® gene delivery platform technology. This strategy will be pursued through:

- **Generating revenues by providing process development and bioprocessing services to third parties.** The Group aims to maintain its leading position in lentiviral vector bioprocessing by further improving its vector bioprocessing processes, thus extending the intellectual property protecting its platform bioprocessing processes (both patents and know-how). In particular the Group is currently developing bioreactor bioprocessing processes which have the potential to increase yields and reduce unit bioprocessing costs of a patient dose. At the same time, the Group expects to continue to grow its process development and bioprocessing services through partnering opportunities, currently based largely on its Novartis contracts, through partnering opportunities and the Group is in discussions with a number of other companies that are developing lentivirus-based products and require process development and/or bioprocessing, and the Company also anticipates that further potential but as yet unknown partners will emerge in due course. The Company expects that some of these discussions will be converted into partnership contracts and that the revenues from process development and bioprocessing in the short and medium term will help over time to defray the costs in the business including the Company's expenditure on R&D.
- **Using the Group's LentiVector® platform to develop gene and cell therapy products.** The Group's product candidates comprise three "Priority Programmes", OXB-102 for Parkinson's Disease, OXB-202 for corneal graft rejection and OXB-302 for cancer, which are the focus of the Company's development pipeline; two "Other Candidates", OXB-201 for wet AMD and OXB-301 for cancer; and two "Partnered" ocular product candidates which have already been out-licensed to Sanofi. Taking into account the balance of risk and reward in the context of the substantial investment required over the next two to three years to conduct the Phase I/II studies, the Group has decided that the optimal development model for the current wholly-

owned in-house clinical product candidates is to spin them out into one or more product-focused special purpose vehicles (SPVs) with dedicated externally-sourced funding or to out-licence them. This approach aims to ensure that the Group's priority clinical assets are advanced via external funding as expediently as possible whilst Oxford BioMedica captures value via a potential combination of upfront payments and/or equity stakes, development milestones and royalties. In addition, it is also the intention that the terms of the SPV or out-licensing agreements would require the partner to contract back to the Group any further vector engineering or process development that is required and also the manufacturing requirements for clinical studies and commercialisation. The Group plans to continue to work on earlier-stage research and pre-clinical concepts to build new intellectual property and to identify the next generation of product candidates for clinical stage development which could either be out-licensed or spun out. When appropriate opportunities arise, the Group will also consider in-licensing technologies and/or products to which the Group can add value.

- **Developing relationships with companies, universities and hospitals which require the Group's expertise and intellectual property to accelerate their own programmes by means of collaborations, in-licensing or out-licensing and, potentially, acquisitions.** In the past several years, the Group has entered into commercial relationships with Novartis, Sanofi, GlaxoSmithKline, Immune Design and Green Cross LabCell, which have given the Group an active participation in the development of, and a financial interest in, some of their gene and cell therapy programmes, for example Novartis' CTL019 as indicated in the ''Partnered and IP Enabled & Royalty Bearing Product Candidates'' candidates, as set out below.

3. Key strengths

Broad range of interests in novel gene and cell therapies

The Group and its partners are developing a broad portfolio of promising therapeutic candidates which represent novel approaches to diseases with significant unmet medical needs. The Group's in-house product development portfolio has been focused on three Priority Programmes for the treatment of Parkinson's Disease, the rejection of corneal grafts and a CAR-5T4 approach to targeting solid cancer tumours. The Group's interests in its partners' programmes include two ophthalmology targets, and a variety of oncology and other therapeutic areas.

Strong intellectual property portfolio

Since inception, Oxford BioMedica has developed an extensive intellectual property portfolio around lentiviral vector technology. The importance of this intellectual property is validated through the Group's grant of numerous licences to partners that have led to upfront payments, development milestones and royalties on potential sales. Licences granted in the last three years include development and commercialisation rights over two clinical-stage product candidates (Sanofi), licence-to-operate rights under the Group's lentiviral vector patent portfolio (Novartis, Sanofi, GlaxoSmithKline, Immune Design), and licences to utilise the Group's bioprocessing know-how (Novartis).

Lentiviral gene therapy bioprocessing expertise and capabilities

As part of its integrated strategy, Oxford BioMedica has established a leading position in lentiviral vector bioprocessing. This has been developed by investment in research and development over many years which gives Oxford BioMedica significant know-how including proprietary analytical methods which were further strengthened by the purchase in 2011 of a purpose-built bioprocessing facility at Harrow House in Oxford, which provides control over the entire lentiviral vector bioprocessing process. The Group's capabilities have resulted in an initial three year contract (with potential for extension) with Novartis under which the Group is their sole supplier of lentiviral vector clinical supply for Novartis' CTL019 and a further CAR-T programme and a key partner for vector manufacture process development. The Group's bioprocessing capabilities were expanded further with the completion of its Harrow House and Windrush Court expansions and its new Yarnton facility in Oxford.

Significant partnerships and grants

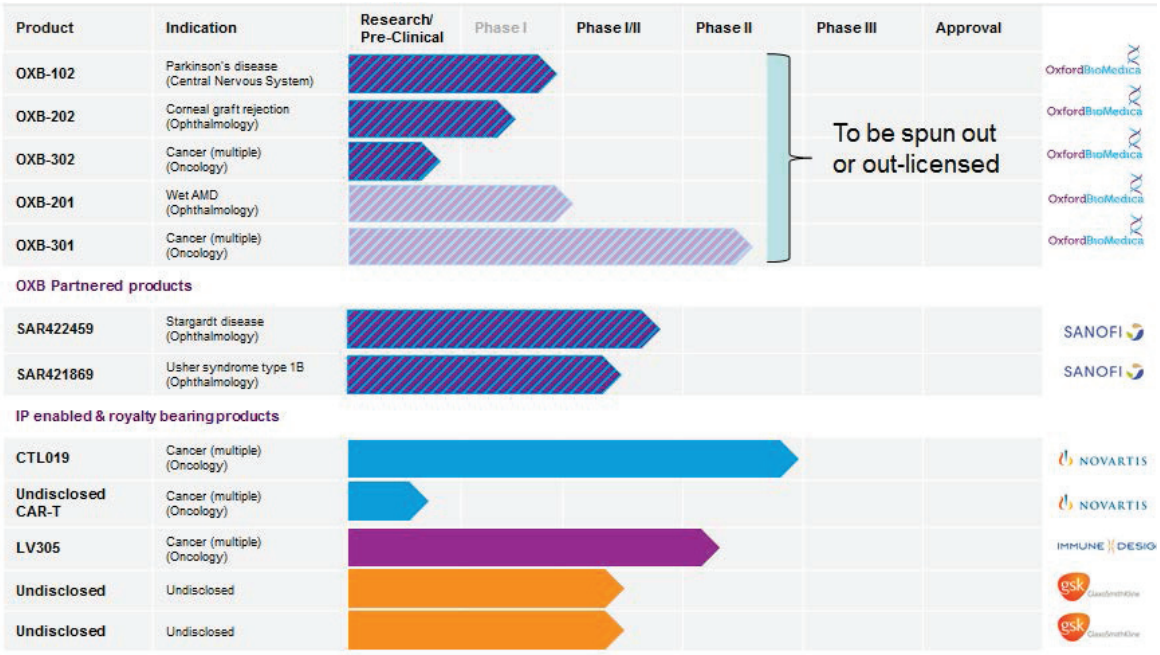
The Group's expertise, intellectual property, capabilities and facilities have resulted in significant partnerships and grants. Partnerships and grants in the past two years include the following:

- In June 2016, the Group signed a new non-exclusive licence under Oxford BioMedica's LentiVector® platform technology patents for manufacturing and development services with MolMed. A previous retroviral patent agreement between Oxford BioMedica and MolMed has now expired.
- In June 2016, the Group entered into a R&D collaboration with Green Cross LabCell, a subsidiary of Green Cross Holdings, a leading South Korean biopharmaceutical company. The R&D collaboration will focus on identifying and developing gene modified NK cell-based therapeutics for treatment of life-threatening diseases such as cancer, from which the Company would expect a lead gene-modified NK cell therapeutic to emerge from the research by the end of 2018.
- In March 2016, expanding on its original September 2012 agreement with the Group, Immune Design, a clinicial-stage immunotherapy company with next-generation *in vivo* T-cell approaches, secured a non-exclusive licence to the Group's intellectual property for its LV305 programme and extended its collaboration with the Group for process and analytical development.
- In October 2014, building on its original May 2013 contract with the Group, Novartis secured a non-exclusive licence to the Group's intellectual property for its CTL019 programme and in January 2016 the Group and Novartis agreed further contracts in bioprocessing for clinical supply and process development for CAR-T products.
- In April 2014, the Group was awarded a £2.2 million grant under the UK Government's innovation agency, Innovate UK (formerly the Technology Strategy Board), Biomedical Catalyst competition to support the next development phase of OXB-102.
- In February 2014, Sanofi licensed from the Group development and commercialisation rights to two orphan ophthalmology products, SAR422459 and SAR421869. This was the conclusion of a collaboration between the Group and Sanofi which began in 2009. The Group provides clinical analysis and bioprocessing services to Sanofi.
- In December 2013, GlaxoSmithKline took an option to a non-exclusive licence under the Group's LentiVector® platform technology patents for the development and commercialisation of up to six product candidates targeting rare orphan diseases. GlaxoSmithKline exercised its option in October 2015 in respect of two of these product candidates.
- In September 2013, the Group's bioprocessing and supply chain long-term potential was recognised by a £7.1 million grant and loan funding package under the UK Government's Advanced Manufacturing Supply Chain Initiative.
- In August 2013, the Group was awarded a £1.8 million grant from the Supporting Regenerative Medicines and Cell Therapies competition sponsored by UK Government's Innovate UK (formerly the Technology Strategy Board) for the Phase I/II clinical study of OXB-202.

4. Product Candidates

The Group's current in-house product candidates are classified as "Priority Programmes" and "Other Candidates", which are to be spun out or out-licensed, and "Partnered and IP Enabled & Royalty Bearing Product Candidates", which are focused in CNS, ophthalmology, cancer and rare orphan diseases. All of the product candidates (with the exception of OXB-301) are based on the Group's LentiVector® platform technology. Further details of the Group's product candidates are set out below.

Products



Priority Programmes

(a) OXB-102

Overview and timings

OXB-102 is a novel gene-based treatment for Parkinson's Disease utilising the Group's LentiVector® platform. The therapeutic rationale for treatment is to provide dopamine replacement to the dopamine secreting neurons in pars compacta of the substantia nigra of Parkinson's Disease patients by gene transfer of the three critical enzymes in the dopamine biosynthesis pathway. A Phase I/II dose escalation clinical study has been designed and the study protocol is in the process of being approved by the regulatory authority. The study could commence by early 2017 subject to successfully out-licensing or spinning out the product and, with a partner, Phase I/II first three cohort data would be expected by the end of 2018.

Key features and benefits

OXB-102 encodes three enzymes in the dopamine biosynthetic pathway: the truncated form of human tyrosine hydroxylase, human GTP-cyclohydrolase 1, and human aromatic L-amino-acid decarboxylase. The therapeutic genes will be delivered to the target cell populations by local bilateral stereotactic injection of OXB-102 into the sensorimotor putamen, a key region in the brain implicated in the disease, of Parkinson's Disease patients. The one-off administration of OXB-102 is expected to lead to the expression of the corresponding proteins in non-dopaminergic neurons thus converting these cells to dopamine 'factories' resulting in replacement of the dopamine that is depleted in Parkinson's Disease patients. The maintenance of a constant dopaminergic tone within the putamen offers the potential to reduce the level of L-DOPA therapy required by patients and provide a sustained motor correction with longer 'ON' periods and shorter 'OFF' periods.

The Group has conducted a clinical trial in 15 patients via stereotactic delivery of OXB-101 (ProSavin®), which encodes the same therapeutic genes as OXB-102 but in a different gene order and structure, in France and the UK. In May 2016 Professor Stephane Palfi, the lead investigator, presented information at the 19th Annual Meeting of the American Society of Gene and Cell Therapy (ASGCT) showing evidence of encouraging long-term sustained benefit of at least four years duration

to patients treated in the original OXB-101 study. Indeed, improvement in motor function was sustained in most patients for up to three years and OXB-101 is safe and well tolerated with cohort 1 out to seven years. However, the optimal therapeutic dosing regimen for OXB-101 may not yet have been achieved and it was determined that a greater potency was required. Therefore, Oxford BioMedica has developed an enhanced version of the OXB-101 vector, OXB-102, expressing the same three enzymes as OXB-101 but with at least five times increased dopamine production per genetically modified cell in pre-clinical trials.

Addressable market

It is estimated that, in 2014, Parkinson's Disease affected more than 1.7 million people in the seven major markets which includes the US, Japan, France, Germany, Italy, Spain and the UK (PharmaPoint Parkinson's Disease Global Forecast & Market Analysis to 2022, Global Data June 2015). This population is expected to grow to approximately 1 million in the US and 880,000 in the EU by 2022 (Ibid) due to the aging population.

Existing therapies

Current marketed therapies include orals, MAO inhibitors and COMT inhibitors. Once the oral dopaminergic drugs and the other dopamine agonists such as the MAO inhibitors and the COMT inhibitors start to fail in mid to late stage Parkinson's Disease there is no standard pharmacological treatment. At this stage more invasive surgical therapies to control motor functions and to reduce hypomobility episodes are introduced including deep brain stimulation (''DBS''), Duodopa (combined levodopa/carbidopa) and apomorphine (dopamine agonist) pumps.

Not all severe Parkinson's Disease patients may be eligible for the surgical treatments (American Academy of Neurology Guidelines Summary for patients and their families: medical and surgical treatment for motor fluctuations and dyskinesias in Parkinson's Disease, 2006). DBS is contraindicated in patients with dementia, which is twice as prevalent amongst Parkinson's Disease patients as in the general population. Furthermore, not all patients respond to DBS. Duodopa therapy also has high drug and associated ongoing care costs. This together with its invasive nature, requiring implantation surgery under general anaesthesia, and infection rates tends to limit its use to very late stage patients, as the last treatment option. Although apomorphine can be used for many years in some patients, apomorphine is associated with serious local and neurological side effects, high drug, equipment and nursing costs and a high burden of care led from Parkinson's Disease-specialist centres.

Other gene therapies for the treatment of Parkinson's Disease have included AAV mediated gene delivery of the GAD gene (AAV-GAD; Phase II, Neurologix) or the neurturin gene (AAV-Neurturin/CERE-120; Phase II, Ceregene). Both of these neuroprotective based treatments have failed in clinical development due to lack of efficacy. There is also an AAV-glial cell derived neurotrophic factor (AAV-GDNF; Phase I UniQure) gene therapy neuroprotective candidate in clinical stage of development in collaboration with University of California, San Francisco (UCSF) and National Institute of Health (NIH).

Pre-clinical and clinical data

(i) Pre-clinical data

OXB-102 was optimised *in vitro* through the evaluation of differently configured genome plasmids which varied with respect to the order of the therapeutic genes and structure. Selection of the final OXB-102 genome plasmid was based on an *in vitro* assay for the measurement of dopamine production. The increase in dopamine production afforded by the OXB-102 vector was demonstrated *in vivo* in the 'gold standard' MPTP (N-methyl-4-phenyl-1, 2, 3, 6-tetrahydropyridine) NHP model of Parkinson's Disease, indicating that OXB-102 is at least 5 times more potent *in vivo* than OXB-101 (ProSavin®) in terms of improvements in motor activity. The increased potency of OXB-102 is supported by direct quantification of AADC amount/activity by [18F] FMT PET imaging that shows greater AADC activity from OXB-102 (see Figure 1 and 2).

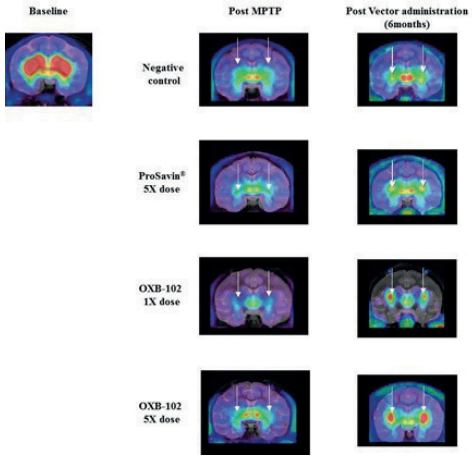


Figure 1. *NHPs were treated with a control vector (Negative control); with ProSavin at maximum dose (5X); with OXB-102 at a fifth less dose (1X); or with OXB-102 at maximum dose (5X). The NHPs were assessed by PET for the presence of the AADC enzyme using the ligand [18F] FMT. Red indicates strong activity/expression. White arrows indicate vector administration.*

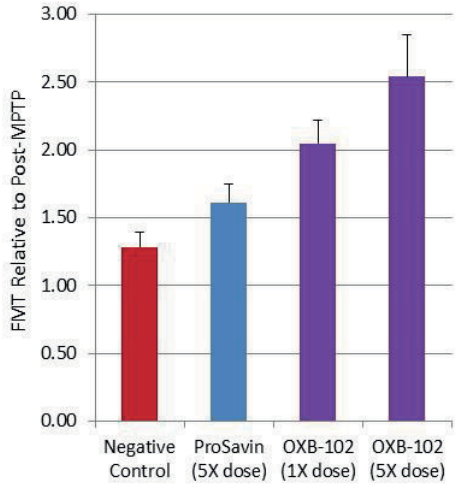


Figure 2. *Quantification of PET signal from [18F] FMT indicating increased AADC amount/activity from OXB-102.*

A six month GLP toxicology study of OXB-102 in NHPs demonstrated OXB-102 to be safe and well tolerated following stereotactic administration into the putamen. There was no positive qPCR signal in any sample and no transgene related immune responses were observed.

GMP manufacture of OXB-102 has been completed at the Group's GMP bioprocessing facility, Harrow House in advance of the planned Phase I/II study.

(ii) Proposed Phase I/II clinical study

For OXB-102, the patients will be treated at the same Paris and Cambridge sites as were involved in the earlier OXB-101 clinical study. The regulatory approval process for a Phase I/II study is underway in the UK, and it is anticipated that the first patient could commence treatment by early 2017, with the French regulatory submission potentially towards the end of 2016. The protocol specifies a dose escalation study over three cohorts of six patients per cohort and a dose confirmation cohort of 12 patients. A preliminary read-out from the first cohort is expected around the end of 2017. Recognising the substantial investment required, the Board has decided to progress OXB-102 through out-licensing or spin out and, with a partner, Phase I/II first three cohort data would be expected by the end of 2018.

(b) OXB-202 (EncorStat®)

Overview and timings

OXB-202 is a novel gene-based therapy designed to prevent corneal graft rejection due to neovascularisation. Pre-clinical studies have been completed and a clinical trial application for a Phase I/II study is due by the end of 2016 and patients could commence treatment in the first half of 2017.

Key features and benefits

OXB-202 aims to prevent corneal graft rejection through the *ex vivo* application of the same anti-angiogenesis treatment as OXB-201 to human donor corneas prior to transplant. It uses the Group's LentiVector® platform technology to genetically modify the cornea to express endostatin and angiostatin. The genetically modified cells act as endogenous factories for the two anti-angiogenic proteins, which are then released locally to inhibit corneal neovascularisation following transplant and, consequently, graft rejection. Human donor corneas are incubated in the vector prior to the graft operation, with the intent to minimise corneal neovascularisation or the formation of aberrant blood vessels which can lead to graft rejection in high-risk patients.

Addressable market

The requirement for corneal transplant may arise from a variety of reasons that cause scarring or ''clouding'' of the cornea. Although the cornea is one of the most successfully transplanted tissues, a significant number of grafts are rejected due to corneal neovascularisation, the formation of new blood vessels in the cornea caused by deprivation of oxygen. An estimated 100,000 corneal transplants are performed worldwide each year (Human organ and tissue transplantation. Report by the Secretariat. Executive Board EB112/5, 112th session, Provisional agenda item 4.3. World Health Organisation. May 2003). This figure, representing only 1 per cent. of all patients in need of a transplant, will increase significantly as countries develop their own eye banking infrastructure. The Company estimates the potential peak year sales for OXB-202 in the range from $120 million to $415 million.

Existing therapies

Currently, there are no gene therapy treatments available to prevent corneal graft rejection due to neovascularisation. Graft rejection is typically treated through hourly application of topical corticosteroids until signs of rejection resolve; in certain severe cases of rejection, corticosteroids may be injected or administered in significantly higher dosage pill form.

Subconjunctival injections of Lucentis (bevacizumab), a monoclonal anti-VEGF antibody, have been shown to increase graft survival when delivered prior to transplantation, and also regress blood and lymph vessels during graft rejection. However, in a recent clinical study, topical application of Lucentis (bevacizumab) resulted in vascular suppression but also caused spontaneous loss of epithelial integrity and progression of stromal thinning. The antisense oligo mRNA aganirsen (GS-101) from Gene Signal, which targets insulin receptor substrate-1 (IRS-1), has completed a Phase III (I-CAN) study which demonstrated that aganirsen (GS-101) was safe and well-tolerated and reduced the relative area of corneal neovascularisation and need for corneal transplantation. Aganirsen targets corneal neovascularisation due to inflammation and is administered as a topical application requiring patient compliance.

Artificial plastic corneas such as Boston K-Pro and AlphaCor, can also be used but for short term only as they potentially cause irreversible damage to the eye.

In the past decade there has been an increasing trend toward using novel surgical techniques such as Endothelial Keratoplasty (EK) or Lamellar Keratoplasty as an alternative to full thickness corneal graft transplants. These types of surgery cannot be used in high risk patients but will lower the risk of rejection in low risk patients. EK grafts could potentially be prepared from OXB-202 corneas to lower the risk of rejection further.

Pre-clinical and clinical data

(i) Pre-clinical study

The pre-clinical study demonstrated proof-of-concept of the design and *ex vivo* administration of OXB-202, as shown by significant reduction in corneal neovascularisation, with corresponding reductions in both corneal opacity and immune infiltrates, in a corneal rejection model as shown in Figure 3 below.

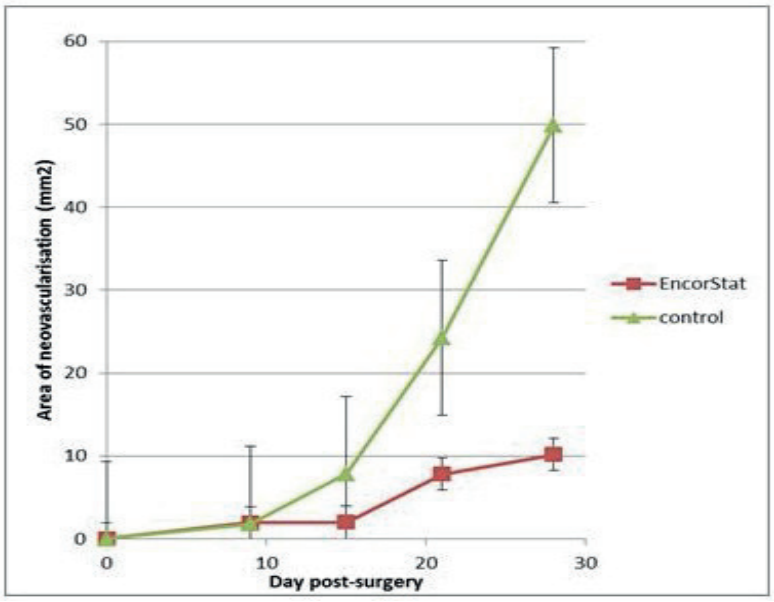


Figure 3. *Shows reduction in corneal neovascularisation using OXB-202.*

A three month GLP toxicology and biodistribution study of OXB-202 in a pre-clinical model has been completed. The OXB-202 programme is supported by extensive OXB-201 data (non-clinical and clinical).

(ii) Proposed Phase I/II clinical study

The Company held a pre-investigational new drug ("IND") meeting with the US Food and Drug Administration ("FDA") in September 2011 and a scientific advice meeting with the MHRA in December 2014 to discuss the proposed development strategy of OXB-202 in preparation for a Phase I/II trial. On 19 November 2013, the Company confirmed it had been awarded a £1.8 million grant by the UK Government's innovation agency, Innovate UK (formerly the Technology Strategy Board), which will facilitate the funding of a Phase I/II clinical study likely to be conducted at Moorfields Eye Hospital, London with the potential for a US site once the study is underway. It is anticipated that the clinical trial application for the OXB-202 Phase I/II clinical study will be submitted by the end of 2016 and that patients could commence treatment in the first half of 2017. The Board has decided to progress OXB-202 through out-licensing or spin out and, with a partner, Phase I/II first two cohort data would be expected by the end of 2018.

(c) OXB-302 (CAR-T 5T4)

Overview and timings

OXB-302 is an anti-cancer cell therapy. A proof-of-concept pre-clinical efficacy study is expected to report by the end of 2016 and, if successful, the Group in conjunction with a partner is likely to initiate a clinical programme with this novel product candidate.

Key features and benefits

OXB-302 aims to destroy cancerous cells expressing the 5T4 tumour oncofoetal antigen. It uses the Group's LentiVector® platform and 5T4 antigen to target cancer cells expressing the 5T4 tumour oncofoetal antigen expressed on the surface of most solid tumours and some haematological malignancies. The restricted profile of 5T4 on normal tissues combined with its broad expression on tumour cells (including cancer stem cells) makes 5T4 an attractive target for therapeutic intervention. OXB-302 is based on a gene modified autologous T-cell which is engineered using a lentiviral vector to express an antibody against 5T4 on its surface. The T-cell is then infused into the patient where it

recognises and binds to the 5T4 tumour antigen on the surface of cancerous cell, and then triggers the ''normal'' T-cell killing mechanisms which kills the cancer cells.

Addressable market

OXB-302 has the potential to benefit patients with any cancer that expresses the 5T4 tumour antigen, which represents a significant market. Based on the product candidate's profile, it potentially could have application as a single agent or could be used in combination with other treatments, including therapeutic vaccines, such as OXB-301 (details of which are set out below).

Existing therapies

Although there are few direct competitors to OXB-302 in the CAR-T setting targeting solid cancers, Novartis is the main competitor. However, the results of a six-patient study of Novartis' CAR-T-meso candidate in mesothelioma, pancreatic, and ovarian carcinoma reported at the American Association for Cancer Research (AACR) Conference in Philadelphia did not show any responses to the treatment. There are many other groups developing CAR-T programmes in the field of lymphoma/leukaemia cancer indications such as Novartis, Cellectis, Juno and Kite and there are numerous indirect competitor products either on the market or in development including radiotherapy, chemotherapy and other targeted immunotherapeutics.

Pre-clinical data

Two different OXB-302 lentiviral based vectors have been produced and both transduce human peripheral blood mononuclear cells (''PBMCs''). OXB-302 has been tested *in vitro* assays and shown to be capable of killing a range of tumour cells known to express the 5T4 antigen. Furthermore, *in vivo* testing has demonstrated efficacy in an industry standard tumour challenge model. The Company expects to complete its pre-clinical programme by the end of 2016. Following demonstration of pre-clinical proof-of-concept, clinical planning for OXB-302 is likely to be initiated. The Board has decided to progress OXB-302 through out-licensing or spin out and, with a partner, the Company would expect OXB-302 to be in a Phase I/II clinical study by the end of 2018.

Other Candidates

After its strategy review in early 2016, Oxford BioMedica decided to give OXB-201 and OXB-301 a lower priority than OXB-102, OXB-202 and OXB-302, which the Company believes offers a better risk/reward balance. The Company will continue to explore ways of progressing the Other Candidates, which could include partnering or out-licensing.

(a) OXB-201 (RetinoStat®)

Overview and timings

OXB-201 is a gene-based treatment for neovascular wet AMD that also may have applications for the treatment of diabetic retinopathy. The results of a Phase I clinical study were announced in May 2015 with ground-breaking four year follow up data presented in May 2016. An outcome of the Company's portfolio review is that Oxford BioMedica has decided to give OXB-201 a lower priority than OXB-102, OXB-202 and OXB-302 which the Company believe offer a better risk/reward balance. The Company will continue to explore ways of progressing OXB-201 which could include partnering or out-licensing.

Key features and benefits

OXB-201 aims to preserve and improve the vision of patients suffering from vision loss due to AMD through anti-angiogenesis, the process of blocking the formation of new blood vessels from pre-existing blood vessels. It uses the Group's LentiVector® platform technology to deliver two genes encoding the anti-angiogenic proteins endostatin and angiostatin directly to the retina by injection. This creates genetically modified cells at the injection site that act as endogenous factories for the two anti-angiogenic proteins, which are then released locally to prevent disruptive vascularisation of the retina. The results from the clinical trial demonstrated that OXB-201 was safe and well tolerated and can be effective in reducing blood vessel leakage. The Company expects that only a single administration of OXB-201 will be required, potentially giving the product a significant market advantage over existing VEGF inhibitor treatments.

Addressable market

AMD is a progressive retinal disease that develops when the part of the eye responsible for central vision (the macula) becomes damaged, causing vision loss. There are an approximate 30 million

people living with the disease worldwide and this figure is expected to triple by 2025 (AMD Alliance International, website 2015). The ''wet'' form of AMD develops when abnormal blood vessels form underneath the macula and damage its cells. Although less common, wet AMD accounts for 10 to 15 per cent. of all instances of AMD (AMD Alliance International, website 2015) and it results in significantly higher risk of severe vision loss. ''Wet'' AMD is responsible for 90 per cent. of cases of severe vision loss associated with AMD, and as a result there are up to 4.5 million patients living with the disease worldwide (Ibid).

Existing therapies

Existing protein therapies treat wet AMD through multiple (typically monthly) injections of a naturally-occurring protein that prevents binding of VEGF, a protein involved in blood vessel growth, to its receptors thereby reducing vascularisation of, and vascular leakage in, the retina. Products currently on the market that offer this type of anti-VEGF treatment are Genentech's Lucentis® and Regeneron's Eylea®, combined sales of which exceeded $7.0 billion per annum in 2014 (Novartis/ Roche and Regeneron/Bayer actual sales for Lucentis® and Eylea® in 2014 for all retinal indications).

In addition to OXB-201, AMD gene therapies are also being developed using AAV instead of lentiviruses. Avalanche Biotechnology is conducting additional pre-clinical studies on its AVA-101 and AVA-201 product candidates and Genzyme (a Sanofi company) completed its Phase I study with AAV2-sFLT01 but has yet to announce its data. Both Avalanche Biotechnology's wet AMD product candidates and Genzyme's product candidate are designed to be single administration treatments.

Pre-clinical and clinical data

(i) Pre-clinical studies

The pre-clinical studies demonstrated clear proof-of-concept in industry standard animal models, as shown by significant repression of blood vessel growth and leakage. In addition, GLP toxicology and bio-distribution studies involving NHPs and other pre-clinical models showed that it was safe and well-tolerated.

(ii) Phase I clinical study

The Phase I clinical study was conducted between February 2011 and September 2014. It involved the first administration of a lentiviral construct, OXB-201, to 21 patients in four cohorts delivered subretinally. The first three cohorts, each of three patients, were treated with a single injection of OXB-201, with doses increasing from one cohort to the next. A further 12 patients in cohort four were treated with dose level 3 to confirm tolerability and the safety profile. All patients were followed up for 12 months.

Phase I results demonstrated successful retinal transduction, as shown by substantial increase in expression and secretion of endostatin and angiostatin proteins measured in the anterior chamber of the eye following a single administration of OXB-201, with long-term protein expression sustained for more than two years post-treatment for all cohorts. Preliminary data showed a dose response, with the escalation from cohort 1 (low dose 1x) to cohort 2 (medium dose 10x) to cohort 3 (high dose 30x) and confirmatory top dose in cohort 4 (high dose 30x) yielding a proportional increase in average protein expression as shown in the Figure 4 below. The expression data was relatively consistent within each cohort and the unique clinical expression data showed no loss in cargo gene expression (endostatin/angiostatin) for more than one year.

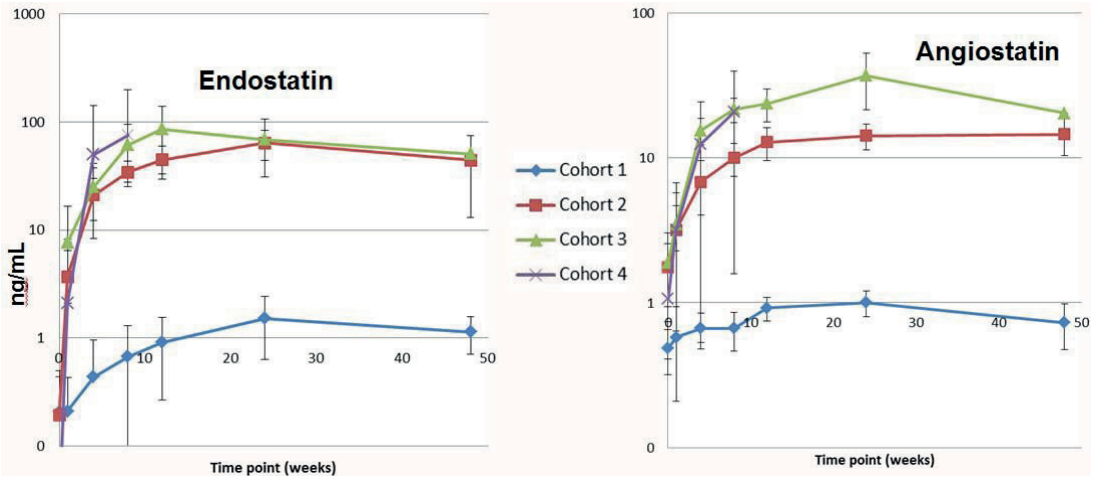


Figure 4. *Expression of endostatin and angiostatin proteins over one year in the eye.*

There were also signs of clinical benefit including visual acuity stabilisation and reduction in vascular leakage in patients. The results also indicated that OXB-201 was safe and well-tolerated with a long-term safety profile up to 12 months post-treatment (in all dose levels) and 48 months post-treatment (in dose level 1). Protein expression from transgenes has been observed at latest time points (48 months).

The results of the Phase I clinical study were announced as an abstract in May 2015 and are expected to be published in full in due course.

(b) OXB-301 (TroVax®)

Overview and timings

OXB-301 is a therapeutic cancer vaccine. The Group has completed Phase I, II and III studies in renal cancer and very recently a Phase I/II trial in mesothelioma and colorectal cancer has been completed. A further one Phase I/II study and one Phase II study are on-going in ovarian and prostate cancer, respectively.

Key features and benefits

OXB-301 aims to stimulate the immune system to target and destroy cancerous cells expressing the 5T4 oncofoetal tumour antigen which is present on most solid tumours, but not healthy cells. It comprises a modified vaccinia virus Ankara (“MVA”) vector, encoding the 5T4 antigen, which is administered by intramuscular injection (an injection of a substance directly into a muscle) in the arm. Vaccinia viruses are commonly used as delivery systems for the development of antigen-specific vaccines. MVA is the vaccinia strain of choice because of its excellent safety profile and its effectiveness in stimulating an immune response against “self-antigens”, such as 5T4. The Group has identified a potential biomarker, using a simple blood test, which predicts both the magnitude of the induced 5T4 antibody response and treatment benefit. This should enable the Group to identify those patients who are most likely to benefit from treatment with OXB-301. OXB-301 is simple to manufacture and has a low cost of goods (COGs). The benign safety profile of OXB-301 enables combinatorial approaches with multiple standard of care therapies.

Addressable market

The cancer targeted therapies and immunotherapy market is forecast to increase to $36.8 billion by 2019 (Datamonitor, 2010). If shown to be efficacious in a pivotal trial for even just one of the major

cancers where it is known that 5T4 is present on the tumours, the Directors believe that OXB-301 would have significant potential.

Existing therapies

Although there are few direct competitors to OXB-301 in the cancer vaccine market, especially in the cancer indications the product is targeting, there are numerous other indirect competitor products either on the market or in development including radiotherapy, chemotherapy and other targeted immunotherapeutics. The major producers of these competing products include AstraZeneca, Novartis and Merck, but many of the products marketed by these companies could potentially be used in combination with OXB-301.

Pre-clinical and clinical data

(i) Pre-clinical studies

The pre-clinical studies of OXB-301 were designed to support its safety and efficacy as an anti-cancer vaccine, with efficacy demonstrated in both prophylactic and active treatment models.

First, several studies established the differential expression of the 5T4 antigen on normal human tissues and human tumour tissues to address the potential risk of an autoimmune response to 5T4 and to confirm 5T4 as a target antigen for immunotherapy. These histology studies demonstrated that the 5T4 antigen is weakly expressed or absent from all major organs, but in contrast is found on many malignant carcinoma cell types and is highly expressed in metastatic tissue, which is often correlated with advanced disease and poorly differentiated tumours.

Second, the immunogenicity and therapeutic efficacy of OXB-301 were assessed *in vivo* using immunocompetent animals and a mouse model that closely parallels the human clinical situation. Given the specificity of this type of immune response, a comparable ''self-antigen'' mouse model was developed using the same MVA vector and the mouse homologue of 5T4 (m5T4). This approach also enabled the use of syngeneic tumours expressing m5T4, in combination with MVA-m5T4 for vaccination. The results demonstrated that MVA-m5T4 is able to break immunological tolerance to the self-antigen m5T4; however, the breaking of tolerance did not appear to induce any signs of autoimmunity, and no adverse events were observed. Furthermore, the immune response generated was shown to elicit a protective effect against syngeneic tumours. In addition, similar experiments using the OXB-301 vaccine and tumours expressing the human homologue of 5T4 (h5T4) were performed. Again, the results demonstrated a protective effect of the vaccination against the tumours.

For the pre-clinical safety evaluation of OXB-301, a number of toxicology studies were conducted, which included single and repeated dose studies, embryo foetal development toxicity studies, and combination studies with IL-2, plus some investigative studies to evaluate the risk of autoimmunity of OXB-301 and intradermal dosing. The toxicology evaluation demonstrated that OXB-301 was well tolerated and showed findings related to the stimulation of an inflammatory or immune response, which were typically associated with vaccine administration (e.g. increases in globulin concentration). In addition, when administered via the intra muscular route, inflammatory changes at the site of injection were noted. All of these findings were reversible.

(ii) Phase I, II and III clinical studies

OXB-301 has completed 12 clinical trials in colorectal, prostate and renal cancer and has been tested in over 570 patients using over 3,500 doses of OXB-301.

Results from Phase I and II studies in renal, colorectal, and prostate cancer demonstrated that OXB-301 was well tolerated and induced 5T4-specific immune responses in the majority of patients. Importantly, such immune responses were associated with signs of clinical benefit in seven of the nine clinical studies. Following these encouraging results, OXB-301 was tested in a Phase III trial in 733 patients with renal cancer, but unfortunately in 2008 the trial did not meet the pre-defined primary endpoint of increased survival. However, as demonstrated in the Phase I and II studies, OXB-301 was well tolerated and a strong association between 5T4 antibody response and enhanced survival was detected in some patients. Furthermore, exploratory analyses identified a number of pre-treatment haematological factors which predicted those patients who were more likely to (a) mount the strongest 5T4-specific antibody responses and (b) show improved survival when treated with OXB-301.

Subsequently, a Phase II study was initiated in patients with castrate-resistant prostate cancer which compared OXB-301 plus Docetaxel versus Docetaxel alone. Patients treated with OXB-301 plus docetaxel showed a greater median progression-free survival (PFS) of 9.67 months compared to 5.10

months for patients on the docetaxel alone arm. Importantly, the pre-treatment biomarker previously demonstrated to predict 5T4 immune response and treatment benefit showed a strong association with 5T4 antibody response and a statistically significant association with progression-free survival in patients treated with OXB-301 plus Docetaxel, but not Docetaxel alone.

Four investigator-led studies are currently underway in the United Kingdom (one Phase I, one Phase I/II and two Phase II studies) to assess the safety and immunological activity of OXB-301 in patients with prostate, colorectal, mesothelioma and ovarian cancer respectively. All of these studies are using the potential biomarker to select patients. The mesothelioma and colorectal studies have completed patient recruitment, the ovarian study is expected to be completed during 2016/2017 and the prostate study is still recruiting patients.

Partnered and IP Enabled & Royalty Bearing Product Candidates

Sanofi-Partnered Ophthalmology Programmes (SAR422459 and SAR421869)

(a) SAR422459

Overview and timings

SAR422459 is a gene-based treatment for Stargardt Disease, which has been licensed to Sanofi. A Phase I/II clinical study is ongoing.

Key features and benefits

SAR422459 aims to preserve the vision of patients suffering from vision loss due to Stargardt Disease. It uses the Group's LentiVector® platform technology to deliver a corrected version of the ABCA4 gene into the retina, which is too large for the AAV platform. The Company expects that only a single administration of SAR422459 could provide long-term or potentially permanent correction.

Addressable market

Stargardt Disease is an orphan indication and is caused by mutation of the ABCA4 gene which leads to the degeneration of photoreceptors in the retina resulting in vision loss. It is the most common juvenile degenerative retinal disease with a US and EU prevalence of approximately 80,000 to 100,000 patients (Walia et al. (2009), Macular Degeneration International). The Company estimates the market size for SAR422459 to be around $325 million.

Existing therapies

There are currently no approved treatments available for Stargardt Disease and other proposed therapies do not target the root cause of the disease. As such, SAR422459 has received European and US Orphan Drug Designation which is expected to bring development, regulatory and commercial benefits. The Company is aware of a Phase II clinical trial currently being undertaken by Astellas Pharma Inc., which acquired Ocata Therapeutics, for the treatment of Stargardt Disease and macular degeneration.

Pre-clinical and clinical data

(i) Pre-clinical studies

The pre-clinical study demonstrated clear proof-of-concept in an efficacy model, as shown by the correction of the defect caused by mutated ABCA4 genes in an authentic animal model of the disease (the ABCA4 knockout mouse). In this model the transfer of an unmutated copy of the ABCA4 gene to murine photoreceptors substantially reduced disease-associated A2E accumulation. In addition, GLP toxicology and bio-distribution studies involving two species (NHPs and another pre-clinical model) showed that it was safe and well-tolerated with no transgene related immune responses observed.

(ii) Phase I/IIa clinical study

The Phase I/IIa clinical study commenced in June 2011 in the United States and in February 2014 in France. It involves administration of SAR422459 to 46 patients in three escalating doses through sub-retinal injection, with follow-up ranging from nine to 42 months. In May 2016, Sanofi progressed SAR422459 into Phase IIa expanded cohort clinical study which is in progress. Preliminary data shows SAR422459 has been safe and well-tolerated causing no ocular inflammation in any patient in cohort 1 out to three years.

Future development

On 29 June 2012, the Company announced that Sanofi had exercised its option to licence SAR422459 and in February 2014 the Company announced that the licence agreement had been concluded. Under the licence agreement, Sanofi was granted global rights to SAR422459 across all ocular indications and the Group is eligible for development and commercialisation milestone payments and royalties on any future sales. The Group successfully transferred the management of the on-going clinical studies to Sanofi in June 2014 and no longer has direct involvement in the clinical development of the product. However, the Company expects that SAR442459 will be in a pivotal trial (Phase IIb/Phase III) by the end of 2018.

(b) SAR421869

Overview and timings

SAR421869 is a gene-based treatment for Usher syndrome type 1B, which has been licensed to Sanofi. Phase I/II clinical studies are on-going.

Key features and benefits

SAR421869 aims to preserve vision by addressing the retinitis pigmentosa aspect of Usher syndrome type 1B. It uses the Group's LentiVector® platform technology to deliver a corrected version of the Myosin VIIA (MYO7A) gene into the retina, which is too large for the AAV platform. The Company expects that only a single administration of SAR421869 could provide long-term or potentially permanent stabilisation of ocular function.

Addressable market

Usher syndrome is an orphan indication and is the most common form of deaf-blindness; one of the most common subtypes is Usher syndrome type 1B, which is associated with a mutation of the gene encoding MYO7A. This leads to progressive retinitis pigmentosa combined with a congenital hearing defect. Usher syndrome has a US and EU prevalence of approximately 30,000 to 50,000 patients (Boughman et al, 1983; Gandahl 1987; Hope et al, 1997; Spandau and Rohrschreider, 2002). The Company estimates the market size for SAR421869 to be $40 million.

Existing therapies

So far as the Company is aware, there are currently no treatments available for retinitis pigmentation associated with Usher Syndrome type 1B.

Pre-clinical and clinical data

(i) Pre-clinical studies

The pre-clinical study demonstrated clear proof-of-concept in an efficacy model as shown by the correction of the defect caused by mutated MYO7A genes in an authentic animal model of the disease (shaker1 mouse). In this study, subretinal delivery of SAR421869 restored photoreceptor function (as measured by a-transducin translocation) and rescued photoreceptors from light-induced photoreceptor degeneration in the shaker1 mouse. In addition, GLP toxicology and bio-distribution studies involving NHP's showed that it was safe and well-tolerated with no transgene related immune response observed.

(ii) Phase I/IIa clinical study

The Phase I/IIa clinical study commenced in October 2011 in the United States and in France. It involves administration of SAR421869 to patients in three escalating doses through subretinal injection. There has been one incidence of the fovea of a patient detaching at the time of surgery, but it reattached and visual acuity returned to baseline by week four. Data shows that SAR421869 has been safe and well-tolerated in cohort 1 out to two years.

Future development

On 29 June 2012, the Company announced that Sanofi had exercised its option to licence SAR421869 and in February 2014 the Company announced that the licence agreement had been concluded. Under the licence, Sanofi was granted global rights to SAR421869 across all ocular indications and the Group is eligible for development and commercialisation milestone payments and royalties on any future sales. The Group successfully transferred the management of the on-going clinical studies to Sanofi in June 2014 and no longer has direct involvement in the clinical development of the product.

The Company also has economic interest in its partners' products, such as CTL019 and a further CAR-T programme from Novartis; LV305 from Immune Design and two undisclosed products targeting rare orphan diseases from GlaxoSmithKline.

Novartis' CTL019, which was awarded breakthrough therapy designation by the FDA in 2014, is a lentiviral vector based chimeric antigen receptor ("CAR") T-cell therapy for the treatment of relapsed/refractory acute lymphoblastic leukaemia ("r/r ALL"). During 2015, the product made significant progress, with Novartis announcing highly positive data in paediatric r/r ALL patients, with 93 per cent. achieving complete remission. In October 2015, Novartis confirmed that the marketing application for CTL019 in r/r ALL is on track for submission in early 2017, with approval expected mid-2017 due to Breakthrough Therapy designation. As a key partner Oxford BioMedica would support the chemistry, manufacturing and control ("CMC") components of the filing, which will be based on Oxford BioMedica's Process "A" and, as a result, Oxford BioMedica will be the sole manufacturer for commercial launch expected in the second half of 2017. In addition, Novartis has announced encouraging new data showing the potential of CTL019 to treat certain types of hard-to-treat Non-Hodgkin lymphoma. Based on the strong performance on CTL019, Novartis has recently extended its partnership with the Company to include a second CAR-T product and the Company expects further CAR-T programmes to come its way in the future.

Immune Design's LV305 uses lentiviral vector and a specific antigen ("NY-ESO-1") to activate the immune system against a tumour, by generating cytotoxic T cells ("CTLs") against the specific tumour associated antigen. LV305 is highly specific for dendritic cells ("DCs"). LV305 and CMB305 (a combination of LV305 and G305 prime boost agent) is in Phase I and Phase II studies in cancers expressing the NY-ESO-1 antigen and is progressing well in clinical development.

GlaxoSmithKline took an option for up to six licences for undisclosed orphan disease indications in December 2013 and in October 2015 GlaxoSmithKline exercised an option for a non-exclusive licence to the Company's LentiVector® technology for use in two rare orphan diseases.

5. Regulatory

The Company is looking to develop its products initially for both the US and EU markets. As such Oxford BioMedica will be looking to obtain approval from the FDA and also from the EMA.

Regulation in the United States

In the United States, the FDA regulates biologics under the Public Health Service Act ("PHSA") and the Federal Food, Drug, and Cosmetic Act ("FDCA") and regulations and guidances implementing these laws. Obtaining regulatory approvals and ensuring compliance with applicable statutes and regulatory requirements entails the expenditure of substantial time and financial resources. The failure to comply with applicable requirements may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including refusal by the FDA to approve pending applications, withdrawal of a license, imposition of a clinical hold, issuance of Warning Letters and other types of letters, product recalls, and civil or criminal investigations and penalties brought by the US Department of Justice and other federal and state government agencies.

All of the Group's current product candidates are subject to regulation by the FDA as biologics. An applicant seeking approval to market and distribute a new biologic in the United States must typically undertake the following, among other things:

- completion of pre-clinical laboratory tests, animal studies and formulation studies in compliance with the FDA's current Good Laboratory Practice ("cGLP") regulations;
- submission to the FDA of an Investigational New Drug ("IND") application, which allows human clinical trials to begin unless the FDA objects within 30 days;
- approval by an independent institutional review board ("IRB") representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with the FDA's or equivalent international good clinical practices ("GCP"), to establish the safety, potency, purity and efficacy of the proposed biological product for each indication;
- preparation and submission to the FDA of a Biologics License Application ("BLA");
- satisfactory review of the BLA by an FDA advisory committee, when appropriate or if applicable;

- satisfactory completion of one or more FDA inspections of the bioprocessing facility or facilities at which the product, or components thereof, are produced to assess compliance with current Good Manufacturing Practice (''cGMP'') requirements and to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality and purity;
- payment of user fees and securing FDA approval of the BLA; and
- compliance with any post-approval requirements, including Risk Evaluation and Mitigation Strategies (''REMS'') and post-approval studies required by the FDA.

Human Clinical Studies under an IND

Clinical trials involve the administration of the investigational biologic to human subjects under the supervision of qualified investigators in accordance with cGCP requirements. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of an IND. A clinical trial may not proceed unless and until an IND becomes effective, which is 30 days after its receipt by the FDA unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold.

In addition, an IRB must review and approve the plan for any clinical trial, and the IRB must conduct continuing review at least annually. An IRB must operate in compliance with FDA regulations, and information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health (''NIH'') for public dissemination on the ClinicalTrials.gov website.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined:

- Phase I: The biological product is initially introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early understanding of its effectiveness.
- Phase II: The biological product is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- Phase III: The biological product is administered to an expanded patient population in adequate and well-controlled clinical trials to generate sufficient data to statistically confirm the potency and safety of the product for approval, to establish the overall risk-benefit profile of the product and to provide adequate information for the labelling of the product.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial if the clinical trial is not being conducted in accordance with the IRB's requirements or if the biologic has been associated with unexpected serious harm to patients.

FDA Guidance Governing Gene Therapy Products

The FDA has issued various guidance documents regarding gene therapies, which outline additional factors that the FDA will consider at each of the above stages of development and relate to, among other things, the proper pre-clinical assessment of gene therapies; the chemistry, bioprocessing, and control information that should be included in an IND application; the proper design of tests to measure product potency in support of an IND or BLA application; and measures to observe delayed adverse effects in subjects who have been exposed to investigational gene therapies when the risk of such effects is high.

If a gene therapy trial is conducted at, or sponsored by, institutions receiving the NIH funding for recombinant DNA research, a protocol and related documentation must be submitted to, and the study registered with, the NIH Office of Biotechnology Activities (''OBA'') pursuant to the NIH Guidelines for Research Involving Recombinant or Synthetic Nucleic Acid DNA Molecules prior to the submission of an IND to the FDA. In addition, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. The NIH will convene the Recombinant DNA Advisory Committee (''RAC''), a federal advisory committee, to discuss protocols that raise novel or particularly important scientific, safety or ethical considerations at one of its quarterly public meetings. The OBA will notify the FDA of the RAC's decision regarding the

necessity for full public review of a gene therapy protocol. RAC proceedings and reports are posted to the OBA website and may be accessed by the public.

Compliance with cGMP Requirements

Manufacturers of biologics must comply with applicable cGMP regulations, including with respect to quality control and quality assurance and maintenance of records and documentation. Manufacturers and others involved in the manufacture and distribution of such products must also register their establishments with the FDA and certain state agencies. Both domestic and foreign bioprocessing establishments must register and provide additional information to the FDA upon their initial participation in the bioprocessing process. Establishments may be subject to periodic unannounced inspections by government authorities to ensure compliance with cGMPs and other laws. Discovery of problems may result in a government entity placing restrictions on a product, manufacturer, or holder of an approved BLA, and may extend to requiring withdrawal or recall of the product from the market. The FDA will not approve an application unless it determines that the bioprocessing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

Submission of a BLA

The results of the pre-clinical and clinical studies, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labelling, among other things, are submitted to the FDA as part of a BLA requesting a license to market the product for one or more indications. Under federal law, the submission of most BLAs is subject to an application user fee, for fiscal year 2016 exceeding $2.3 million, and the sponsor of an approved BLA is also subject to annual product and establishment user fees, for fiscal year 2016 exceeding $114,000 per product and $585,000 per establishment. These fees are typically increased annually. The FDA has agreed to specified performance goals in the review of BLAs. Most such applications are meant to be reviewed within ten months from the date of filing, and most applications for ''priority review'' products are meant to be reviewed within six months of filing.

The FDA may also refer applications to an advisory committee for review and a vote as to whether to recommend approval. Typically, an advisory committee includes clinicians and other experts who review, evaluate and vote on a recommendation as to whether the application should be approved. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Expedited Review

The FDA is authorised to expedite the review of BLAs in several ways. Under the fast track programme, the sponsor of a biologic candidate may request the FDA to designate the product for a specific indication as a fast track product concurrent with or after the filing of the IND for the product candidate. In addition to other benefits, the FDA may initiate review of sections of a fast track product's BLA before the application is complete. Applications approved under accelerated approval regulations may be approved on the basis of surrogate or intermediate clinical endpoints. Applications with priority review designation have a shorter (6 month) review clock. FDA may also take certain actions to expedite the development of products designated as breakthrough therapies, including holding meetings with the sponsor and the review team throughout the development process; providing timely advice to and communication with the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking certain steps to design the clinical trials in an efficient manner.

FDA's Decision on a BLA and Post-Approval Requirements

On the basis of the BLA and accompanying information, including the results of the inspection of the bioprocessing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorises commercial marketing of the biological product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and substantial additional testing or information may be required in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter.

If the FDA approves a product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labelling, require that post-approval studies, including Phase IV clinical trials, be conducted to further assess a biologic's safety

after approval, require testing and surveillance programmes to monitor the product after commercialisation, or impose other conditions, including distribution restrictions or other risk management mechanisms, including Risk Evaluation and Mitigation Strategies. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programmes.

Following approval, some types of changes to the approved product, such as adding new indications, bioprocessing changes and additional labelling claims, are subject to further testing requirements and the FDA review and approval. The product may also be subject to official lot release, meaning that the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. Other post-approval requirements include reporting of cGMP deviations that could affect the identity, potency, purity and overall safety of a distributed product, reporting of adverse effects, reporting new information regarding safety and efficacy, maintaining adequate record-keeping, and complying with electronic record and signature requirements.

Biosimilars and Exclusivity

The Biologics Price Competition and Innovation Act of 2009 (''BPCIA''), enacted as part of the Patient Protection and Affordable Care Act, established a pathway for FDA approval of biosimilars. Under the BPCIA, a manufacturer may submit an application for licensure of a biologic product that is ''biosimilar to'' or ''interchangeable with'' a previously approved biological product or ''reference product.'' In order for the FDA to approve a biosimilar product, it must find that the reference product and proposed biosimilar product are highly similar and that there are no clinically meaningful differences between the two products. A finding of ''interchangeability'' requires that a product is determined to be biosimilar to the reference product, that the product can be expected to produce the same clinical results as the reference product in any given patient, and (for a product that is administered more than once) that the risk in terms of safety or diminished efficacy of switching between the proposed biosimilar product and the reference product is not greater than the risk of using the reference product without such switching. An application for a biosimilar product may not be submitted to the FDA until four years following approval of the reference product, and it may not be approved until 12 years thereafter. These restrictions apply to biosimilar applications and not full BLAs.

Orphan Drug Exclusivity

Under the Orphan Drug Act, the FDA may designate a biological product as an ''orphan drug'' if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a biological product available in the United States for treatment of the disease or condition will be recovered from sales of the product). If a product with orphan status receives the first FDA approval, it will be granted 7 years of market exclusivity (meaning that the FDA may not approve any other applications for the same product for the same indication for seven years, except in certain limited circumstances). Competitors may receive approval of different products for the indication for which the orphan product has exclusivity and may obtain approval for the same product but for a different indication. Orphan product designation does not shorten the duration of the regulatory review and approval process. The FDA has granted orphan drug status for the treatment of Stargardt Disease and Usher syndrome type 1B.

Paediatric Exclusivity

Paediatric exclusivity is another type of regulatory exclusivity in the United States and, if granted to a biologic, provides for the attachment of an additional six months of marketing protection to the term of any existing regulatory exclusivity, including orphan exclusivity and exclusivity against biosimilars. This six-month exclusivity may be granted if a BLA sponsor submits paediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the paediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested paediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity cover the product are extended by six months.

Coverage, Pricing and Reimbursement

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of drugs have been a focus in this effort. Third party payors are also increasingly challenging the prices charged for medical products and services and examining the medical necessity

and cost-effectiveness of medical products and services, in addition to their safety and efficacy. If these third party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. The US government, state legislatures and foreign governments have shown significant interest in implementing cost containment programmes to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. Adoption of such controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals.

As a result, the marketability of any product which receives regulatory approval for commercial sale may suffer if the government and third party payors fail to provide adequate coverage and reimbursement. In addition, an increasing emphasis on managed care in the United States has increased and will continue to increase the pressure on drug pricing. Coverage policies, third party reimbursement rates and drug pricing regulation may change at any time. In particular, the Patient Protection and Affordable Care Act contains provisions that may reduce the profitability of drug products, including, for example, increased rebates for drugs sold to Medicaid programmes, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programmes. Even if favourable coverage and reimbursement status is attained for one or more products that receive regulatory approval, less favourable coverage policies and reimbursement rates may be implemented in the future.

Regulation in the European Union

Product development, the regulatory approval process, and safety monitoring of medicinal products and their manufacturers in the European Union proceed in much the same manner as they do in the United States. Therefore, many of the issues discussed above apply similarly in the context of the European Union. In addition, drugs are subject to the extensive price and reimbursement regulations of the various EU member states.

Clinical trials

As is the case in the United States, the various phases of pre-clinical and clinical research in the European Union are subject to significant regulatory controls. The Clinical Trials Directive 2001/20/EC, as amended, provides a system for the approval of clinical trials in the European Union via implementation through national legislation of the member states. Under this system, approval must be obtained from the competent national authority of an EU member state in which the clinical trial is to be conducted, which must be supported by an investigational medicinal product dossier with supporting information prescribed by the Clinical Trials Directive and corresponding national laws of the member states and further detailed in applicable guidance documents. Furthermore, a clinical trial may only be started after a competent ethics committee has issued a favourable opinion on the clinical trial application. The sponsor of a clinical trial, or its legal representative, must be based in the European Economic Area. European regulators and ethics committees also need to review and approve any proposed changes to a clinical study, require the submission of adverse event reports and annual development reports (DSURs) during a study and a copy of the final study report. A new Clinical Trials Regulation, (EU) No 536/2014 has been adopted, which will replace the Clinical Trials Directive. The Regulation is intended to streamline and harmonise the application procedure, but the fundamental principles of the clinical trials rules will remain the same. The Regulation is not expected to take effect before October 2017.

Marketing approval

Marketing approvals under the European Union regulatory system may be obtained through a centralised or decentralised procedure. The centralised procedure involves an application to the EMA and results in the grant of a single marketing authorisation that is valid for all, currently 28, EU member states, and the additional European Economic Area countries, Iceland, Liechtenstein and Norway.

Pursuant to Regulation (EC) No 726/2004, as amended, the centralised procedure is mandatory for drugs developed by means of specified biotechnological processes, advanced therapy medicinal products as defined in Regulation (EC) No 1394/2007, as amended, drugs for human use containing a new active substance for which the therapeutic indication is the treatment of specified diseases,

including but not limited to acquired immune deficiency syndrome, neurodegenerative disorders, auto-immune diseases and other immune dysfunctions, as well as drugs designated as orphan drugs pursuant to Regulation (EC) No 141/2000, as amended. Other products may be permitted to use the centralised procedure if they are sufficiently innovative or they contain a new active substance. Given the Group's focus on gene therapies, which fall within the category of advanced therapy medicinal products, (''ATMPs''), and orphan indications, its products and product candidates should typically qualify for the centralised procedure.

In the marketing authorisation application, (''MAA''), the applicant has to properly and sufficiently demonstrate the quality, safety and efficacy of the drug. Under the centralised approval procedure, the EMA's Committee for Medicinal Products for Human Use (''CHMP''), is responsible for drawing up the opinion of the EMA on any matter concerning the admissibility of the files submitted in accordance with the centralised procedure, such as an opinion on the granting, variation, suspension or revocation of a marketing authorisation, and pharmacovigilance. For ATMPs, the Committee for Advanced Therapies (''CAT'') is responsible in conjunction with the CHMP for the evaluation of ATMPs. The CAT is primarily responsible for the scientific evaluation of ATMPs and prepares a draft opinion on the quality, safety and efficacy of each ATMP for which a MAA is submitted. The CAT's opinion is then taken into account by the CHMP when giving its final recommendation regarding the authorisation of a product in view of the balance of benefits and risks identified. Although the CAT's draft opinion is submitted to the CHMP for final approval, the CHMP may depart from the draft opinion, if it provides detailed scientific justification.

The CHMP and CAT are also responsible for providing guidelines on ATMPs and have published numerous guidelines, including specific guidelines on gene therapies. These guidelines provide additional guidance on the factors that the EMA will consider in relation to the development and evaluation of ATMPs and include, among other things, the pre-clinical studies required to characterise ATMPs; the bioprocessing and control information that should be submitted in a MAA; and post-approval measures required to monitor patients and evaluate the long term efficacy and potential adverse reactions of ATMPs. Although these guidelines are not legally binding, the Group believes that its compliance with them is likely necessary to gain and maintain approval for any of its product candidates.

The maximum formal timeframe for the evaluation of an MAA by the CHMP under the centralised procedure is 210 days after receipt of a valid application. This period will be suspended until such time as the supplementary information requested by the CHMP, or in the case of ATMPs information also requested by the CAT, has been provided by the applicant. Likewise, this time-limit will be suspended for the time allowed for the applicant to prepare oral or written explanations. In practice, therefore, the total time for the review of an MAA by the CHMP is usually one year or more. When an application is submitted for a marketing authorisation in respect of a drug which is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may request an accelerated assessment procedure. If the CHMP accepts such request, the time-limit of 210 days will be reduced to 150 days but it is possible that the CHMP can revert to the standard time-limit for the centralised procedure if it considers that it is no longer appropriate to conduct an accelerated assessment.

If the CHMP concludes that the quality, safety and efficacy of the product are sufficiently proven, it adopts a positive opinion. This is sent to the European Commission which drafts a decision. After consulting with the member states, the European Commission adopts a decision and grants a marketing authorisation, which is valid for the whole of the European Union.

The European Commission may grant a so-called ''marketing authorisation under exceptional circumstances''. Such authorisation is intended for products for which the applicant can demonstrate that it is unable to provide comprehensive data on the efficacy and safety under normal conditions of use, because the indications for which the product in question is intended are encountered so rarely that the applicant cannot reasonably be expected to provide comprehensive evidence, or in the present state of scientific knowledge, comprehensive information cannot be provided, or it would be contrary to generally accepted principles of medical ethics to collect such information. Consequently, marketing authorisation under exceptional circumstances may be granted subject to certain specific obligations, which may include the following:

- the applicant must complete an identified programme of studies within a time period specified by the competent authority, the results of which form the basis of a reassessment of the benefit/risk profile;

- the medicinal product in question may be supplied on medical prescription only and may in certain cases be administered only under strict medical supervision, possibly in a hospital and in the case of a radio-pharmaceutical, by an authorised person; and
- the package leaflet and any medical information must draw the attention of the medical practitioner to the fact that the particulars available concerning the medicinal product in question are as yet inadequate in certain specified respects.

A marketing authorisation under exceptional circumstances is subject to annual review to reassess the risk-benefit balance in an annual re-assessment procedure. Continuation of the authorisation is linked to the annual reassessment and a negative assessment could potentially result in the marketing authorisation being suspended or revoked. The renewal of a marketing authorisation of a medicinal product under exceptional circumstances, however, follows the same rules as a ''normal'' marketing authorisation. Thus, a marketing authorisation under exceptional circumstances is granted for an initial 5 years, after which the authorisation will become valid indefinitely, unless the EMA decides that safety grounds merit one additional five-year renewal.

The European Commission may also grant a so-called ''conditional marketing authorisation'' prior to obtaining the comprehensive clinical data required for an application for a full marketing authorisation. Such conditional marketing authorisations may be granted for product candidates (including medicines designated as orphan medicinal products), if (1) the risk-benefit balance of the product candidate is positive, (2) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (3) the product fulfils an unmet medical need and (4) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorisation may contain specific obligations to be fulfilled by the marketing authorisation holder, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorisations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralised procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorisation.

The European Union also provides for a system of regulatory data and market exclusivity. According to Article 14(11) of Regulation (EC) No 726/2004, as amended, and Article 10(1) of Directive 2001/83/EC, as amended, upon receiving marketing authorisation, new chemical entities approved on the basis of a complete independent data package benefit from eight years of data exclusivity and an additional two years of market exclusivity. Data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application. During the additional two-year period of market exclusivity, a generic marketing authorisation can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorisation holder obtains an authorisation for one or more new therapeutic indications which, during the scientific evaluation prior to their authorisation, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity and the innovator is able to gain the period of data exclusivity, another company nevertheless could also market another version of the drug if such company obtained marketing authorisation based on an MAA with a complete independent data package of pharmaceutical test, pre-clinical tests and clinical trials.

Orphan Drug Regulation

In the European Union, Regulation (EC) No 141/2000, as amended, states that a drug will be designated as an orphan drug if its sponsor can establish:

- that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the European Union when the application is made, or
- that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment.

In either case, there must exist no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorised in the European Union or, if such method exists, the drug must be of significant benefit to those affected by that condition.

Regulation (EC) No 847/2000 sets out further provisions for implementation of the criteria for designation of a drug as an orphan drug. An application for the designation of a drug as an orphan drug may be submitted at any stage of development of the drug before filing of a marketing authorisation application.

If a marketing authorisation is granted in respect of an orphan drug, the European Union and the member states will not, for a period of 10 years, accept another application for a marketing authorisation, or grant a marketing authorisation or accept an application to extend an existing marketing authorisation, for the same therapeutic indication, in respect of a similar drug. This period may however be reduced to six years if, at the end of the fifth year, it is established, in respect of the drug concerned, that the criteria for orphan drug designation are no longer met, in other words, when it is shown on the basis of available evidence that the product is sufficiently profitable not to justify maintenance of market exclusivity. Notwithstanding the foregoing, a marketing authorisation may be granted, for the same therapeutic indication, to a similar drug if:

- the holder of the marketing authorisation for the original orphan drug has given its consent to the second applicant;
- the holder of the marketing authorisation for the original orphan drug is unable to supply sufficient quantities of the drug; or
- the second applicant can establish in the application that the second drug, although similar to the orphan drug already authorised, is safer, more effective or otherwise clinically superior.

Regulation (EC) No 847/2000 lays down definitions of the concepts 'similar drug' and 'clinical superiority'. Other incentives available to orphan drugs in the European Union include financial incentives such as a reduction of fees or fee waivers and protocol assistance. Orphan drug designation does not shorten the duration of the regulatory review and approval process. In the European Union, the Group has been granted orphan drug designation for the treatment of Stargardt Disease and Usher syndrome type 1B.

Paediatric Exclusivity

Additional rules apply to medicinal products for paediatric use under Regulation (EC) No 1901/2006, as amended. Potential incentives include a six-month extension of any supplementary protection certificate granted pursuant to Regulation (EC) No 469/2009, however not in cases in which the relevant product is designated as an orphan medicinal product pursuant to Regulation (EC) No 141/2000, as amended. Instead, medicinal products designated as orphan medicinal product may enjoy an extension of the ten-year market exclusivity period granted under Regulation (EC) No 141/2000, as amended, to twelve years subject to the conditions applicable to orphan drugs.

Bioprocessing and manufacturers' licence

Pursuant to Directive 2003/94/EC as transposed into the national laws of the member states, the bioprocessing of investigational medicinal products and approved drugs is subject to a separate manufacturer's licence and must be conducted in strict compliance with cGMP requirements, which mandate the methods, facilities, and controls used in bioprocessing, processing, and packing of drugs to assure their safety and identity. Manufacturers must have at least one qualified person permanently and continuously at their disposal. The qualified person is ultimately responsible for certifying that each batch of finished product released onto the market has been manufactured in accordance with cGMP and the specifications set out in the marketing authorisation or investigational medicinal product dossier. cGMP requirements are enforced through mandatory registration of facilities and inspections of those facilities. Failure to comply with these requirements could interrupt supply and result in delays, unanticipated costs and lost revenues, and subject the applicant to potential legal or regulatory action, including but not limited to warning letters, suspension of bioprocessing, seizure of product, injunctive action or possible civil and criminal penalties.

Reimbursement

In the European Union, the pricing and reimbursement mechanisms by private and public health insurers vary largely by country and even within countries. In respect of the public systems reimbursement for standard drugs is determined by guidelines established by the legislator or responsible national authority. The approach taken varies from member state to member state. Some

jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits and may limit or restrict reimbursement. The downward pressure on healthcare costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products and some of EU countries require the completion of studies that compare the cost-effectiveness of a particular product candidate to currently available therapies in order to obtain reimbursement or pricing approval. Special pricing and reimbursement rules may apply to orphan drugs. Inclusion of orphan drugs in reimbursement systems tend to focus on the medical usefulness, need, quality and economic benefits to patients and the healthcare system as for any drug. Acceptance of any medicinal product for reimbursement may come with cost, use and often volume restrictions, which again can vary by country. In addition, results-based rules of reimbursement may apply.

6. Intellectual Property

The Company strives to protect the proprietary technologies that it believes are important to its business, including seeking and maintaining patent protection in the United States, Europe and other countries for inventions and related technology that are important to its business, such as those relating to its LentiVector® platform. The Company places great importance on ensuring that its products have freedom-to-operate and has developed an extensive multi-layered patent portfolio across its LentiVector® platform. This patent portfolio provides coverage of numerous technologies and their therapeutic application in wide-ranging disease indications. As at June 2016, the Group's patent portfolio comprised 49 US, 34 European, and 91 rest of the world granted patents. In addition, 29 patent applications are currently pending. These include patents with claims relating to the core lentiviral vector technologies and safety features used in the Group's product candidates and claims relating to lentiviral vector bioprocessing, as well as claims relevant to specific product candidates. This portfolio includes patents that are wholly-owned by the Group and 9 patent families that have been licensed from third parties. The LentiVector® platform and associated products are also covered by 36 registered trademarks worldwide; a number of trademark registrations are also pending.

The Group's key lentiviral vector patent families are set out in the table below. Although the core patent covering the Group's 3rd generation minimal lentiviral vectors which are essential for safe use in clinical applications will expire in 2017, the Group owns a number of other patents relating to lentiviral vector safety extending to 2023 and patents relating to bioprocessing efficiency which extend to 2034.

Patent Family	Expiry	What it covers
WO 98/17815	Oct 2017	3rd generation minimal lentiviral vectors essential for clinical applications
WO 98/51810 WO 99/32646	May 2018 Dec 2018	3rd generation minimal EIAV vectors
WO 97/42338 WO 99/41397 WO 01/79518	May 2017 Feb 2019 Apr 2021	Codon optimised gagpol – key safety feature for clinical use
US 6,924,123 US 7,056,699	Oct 2017 Oct 2017	SIN vectors – key safety feature for clinical use
US 7,419,829	Jan 2023	WPRE variant – key safety feature
WO 03/064665	Feb 2023	Rev-less vectors – key safety feature for clinical use
WO 2009/153563	Jun 2029	Downstream processing of manufactured vector to maximise yield
WO 2015/092440	Dec 2034	TRiP system – improved manufacturing, particularly vector titre

The Company's strategy is to develop and obtain additional intellectual property, including that covering new lentiviral vector bioprocessing and techniques. To support this effort, the Company has established expertise and development capabilities focused in the areas of pre-clinical research and development, manufacturing and manufacturing process scale-up, quality control, quality assurance, product delivery and storage, regulatory affairs and clinical trial design and implementation. The Company expects to file additional patent applications to expand its patent portfolio as appropriate.

The Company believes that its patent portfolio, together with its efforts to develop and patent new technologies, provides it with a substantial intellectual property position.

The Company also relies on know-how, and careful monitoring of its proprietary information to protect aspects of its business that it does not consider appropriate for, or that are not amenable to, patent protection, such as process know-how. Significant aspects of the process by which the Group manufactures and tests its lentiviral vectors are based on unpatented know-how. Lentiviral vectors are complex substances to manufacture and the Group has significant experience in manufacturing lentiviral vectors.

The Group also has extensive know-how relating to lentiviral vector technology and bioprocessing. This includes an extensive array of analytical assays and materials used in the Group's GMP bioprocessing activities.

The Group is not party to any current or pending legal disputes that involve patent infringement or challenges to the validity of any of the Group's granted patents or patent indications.

Other Intellectual Property

Oxford BioMedica has some non-core assets for which, although development is no longer funded by the Company, there remains potential to realise value from previously completed clinical and pre-clinical studies. Oxford BioMedica seeks to realise the value of these assets through partnerships, or leverage its historic investment by furthering the development funded by third party research organisations.

7. Partnerships

The Group has actively sought revenue generating out-licensing deals. The most significant are listed below.

No	Date	Party	Subject	Details
1	2016	Immune Design	LentiVector® for LV305	Non-exclusive patent licence.
2	2014	Novartis	LentiVector® for CTL019 and a second CAR-T programme	Non-exclusive patent licence. Upfront payments, incentives and royalties. Exclusive licence in oncology for process development.
3	2014	Sanofi	SAR422459 and SAR421869	Exclusive licence. Option exercise fee, milestones and royalties.
4	2013	GlaxoSmithKline	LentiVector®	Non-exclusive patent licence for up to six orphan indications. Upfront and annual payments and royalties.

(a) Immune Design

In March 2016, the Group signed a new and expanded collaboration with Immune Design, as well as a non-exclusive, royalty-bearing, intellectual property licence with the company.

(b) Novartis

In May 2013, Novartis signed a contract with the Group to carry out initial feasibility testing and process development of a bioprocessing process for the lentiviral vector required for Novartis' CTL019 clinical study. In October 2014, this culminated in more wide-ranging contracts in which:

- the Group granted Novartis a non-exclusive worldwide development and commercialisation licence in oncology under the Group's LentiVector® platform;
- Novartis awarded the Group an initial three year contract, which is extendable, to manufacture lentiviral vectors expressing CTL019; and

- Novartis and the Group entered a process development collaboration under which the Group will own arising intellectual property for which Novartis will have an exclusive licence for the worldwide development and commercialisation of all CAR-T cell products.

The Group received $14 million (£8.8 million) in upfront payments from Novartis including a $4.3 million (£2.7 million) equity investment and can earn a further $76 million over the initial three years of the agreement from bioprocessing and process development services.

On the basis of the anticipated demand from these contracts the Group has embarked on a capacity expansion programme, expanding both its bioprocessing and laboratory facilities. This programme has been completed and the capacity should be sufficient for Novartis' needs and to provide capacity for the Group's own product development needs as well as those of other third parties.

Assuming this capacity is well utilised, these activities have the potential to generate significant profits which could offset a substantial portion of the Group's overhead base. In addition, royalties from sales of CTL-019 are expected to start in the second half of 2017.

(c) Sanofi

In February 2014, the Group licensed the two ocular products SAR422459 and SAR421869 for Stargardt Disease and for Usher syndrome type 1B respectively to Sanofi. The Group received an option exercise fee and will receive milestones on successful development and royalties on product sales.

(d) GlaxoSmithKline

In December 2013, the Group signed an option agreement with GlaxoSmithKline granting GlaxoSmithKline an option to a non-exclusive licence under the Group's LentiVector® platform technology patents for the development and commercialisation of up to six product candidates targeting rare orphan diseases. In October 2015, GlaxoSmithKline exercised the option for a non-exclusive licence to two of the product candidates.

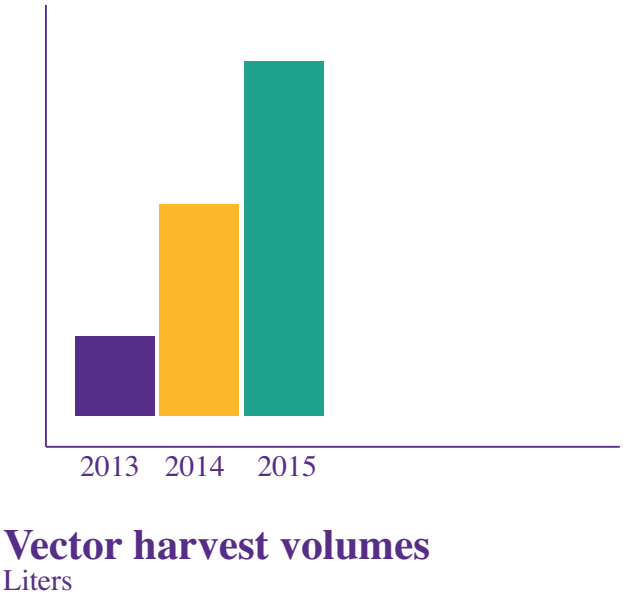
8. Bioprocessing and process development

Oxford BioMedica has established a world-class centre for lentiviral vector bioprocessing and process development services, including state-of-the-art in-house GMP production capabilities and capacity, coupled with appropriate analytical capabilities. This in-house capability is supported by a network of approved suppliers and sub-contractors for activities that can be outsourced successfully. As a result, Oxford BioMedica is able to perform or manage all of the specialist activities required for the production and testing of complex lentiviral vector-based products.

As with its product candidate development, Oxford BioMedica has partnered with large pharmaceutical companies to provide their bioprocessing and process development requirements. For example, Oxford BioMedica is providing LentiVector® bioprocessing and process development to Novartis. Eventually, Oxford BioMedica is aiming to be able to support key partners through the various stages of product development, and ultimately to the marketplace.

The Group has steadily increased volumetric output from its bioprocessing facility successively over the course of the past three years, as illustrated by the chart below which demonstrates an increase in production output between 2013 and 2014, an upward trend which continued into 2015 (with lentiviral vector production volumes increasing by 72 per cent. over 2014). During this time, as well as maximising output from operational facilities, a major focus has been on process improvements to ensure robustness within the supply chain. This trend is continuing in 2016 as the new facilities come on line. It is possible, by the end of 2018, that the facilities could be operating at, or very near, capacity.

Figure 5. *Graphic representation of cumulative productivity output (in litres) from Oxford BioMedica's GMP bioprocessing facility since 2013.*



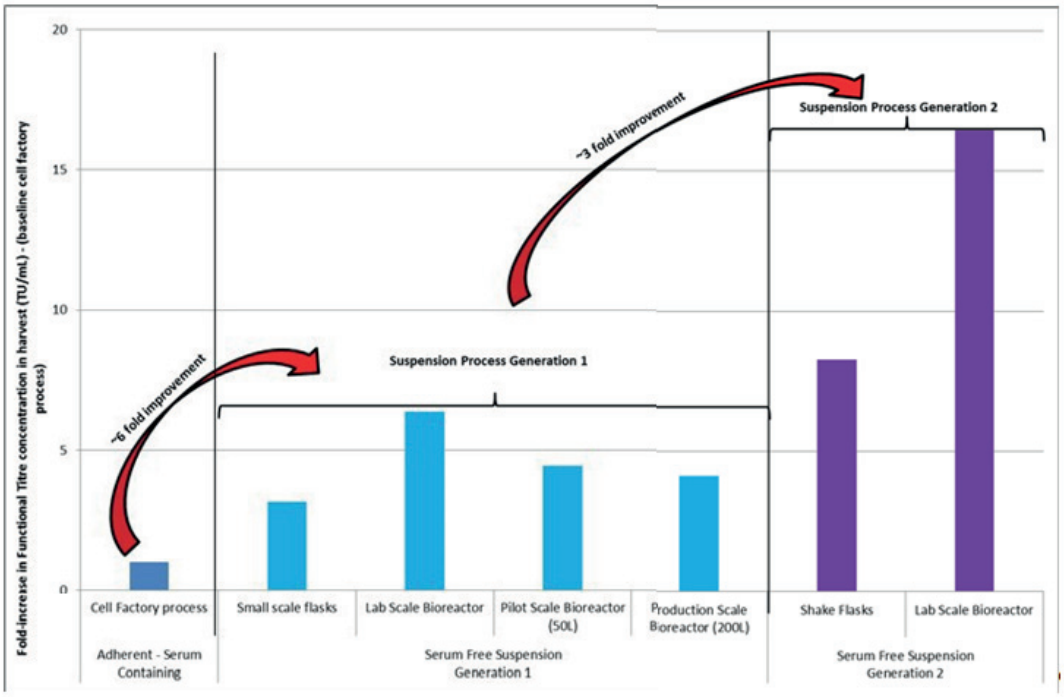
Current bioprocessing activity is based on adherent cell culture, a well-established methodology frequently used in the production of advanced therapeutic medicinal products such as viral vectors; this approach is best suited to relatively small-scale to mid-scale production, since scale-up is both complex and labour intensive. In parallel to the Group's ongoing bioprocessing operation, which continues to deliver vector material for use in both in-house and Novartis programmes (including the Novartis CTL019 project), Oxford BioMedica is investing in a focused programme of process development to bring its next generation bioprocessing process on line. Development activities cover all aspects of upstream production, with a focus on yield and scalability, as well as downstream purification. Oxford BioMedica is currently implementing a next generation bioprocessing process (Process "B") into GMP production in the new GMP suite in Harrow House.

The Directors believe that next generation processes will have a number of key advantages over current production strategies, and one area that has been intensively investigated is the development of a serum-free suspension culture based production process. Over the past few years the Group has developed, refined and optimised a broadly applicable suspension production process that is expected to result in: (i) increased scale, (ii) increased yield, (iii) improved process control, (iv) improved process robustness, (v) removal of serum (which is a costly and potentially variable raw material, and therefore facilitates production using chemically defined animal component-free materials), and (vi) reduced cost of goods as a consequence of all the above factors.

Figure 6. *Representative images from the Oxford BioMedica development facility are shown below, illustrating the development team at work on a next generation bioprocessing platform to support future Oxford BioMedica pipeline products, as well as those of the Group's partners.*

A key step in the development of lentiviral vector gene and cell therapy products is to ensure that they can be produced and meet appropriate stringent quality standards whilst maintaining cost of goods at an acceptable level to support product development and ultimately commercialisation. The next generation process (Process ''B'') has been developed based on sound engineering principles designed to ensure process robustness. Scalability has been verified from small scale lab cultures up to 200 litres bioreactor scale, and demonstrated the potential to exceed even this scale. Successful development of Process ''B'' has been completed and in the second half of 2016 200 litre validation batches are underway. Pilot studies suggest significant productivity improvement. As a result of the extensive development conducted by Oxford BioMedica's scientists, biotechnologists and engineers over many years, the Directors believe that the Group is well-placed to ensure bioprocessing and delivery of products within an acceptable range of cost of goods.

Figure 7. *Graphic illustrating progress made by Oxford BioMedica's Bioprocessing Development team in terms of productivity per litre of upstream processing, showing the potential productivity and control gains that can be achieved in adopting the next generation lentiviral vector bioprocessing process.*



9. Suppliers

The Group's supply chain, bioprocessing and Quality Assurance ("QA") teams are responsible for the initial identification of potential supplies of GMP raw materials, process components, ancillary materials or GMP services such as bioprocessing or testing. Once a potential supplier has been identified, all available company data on the vendor is reviewed, assessed and the reputation of the vendor considered. A raw material traceability questionnaire is provided to the vendor to complete and upon return, the suitability is assessed and a decision made to perform an audit of the vendor. Based upon the audit findings, vendor compliance to the audit findings and level of documentation provided, QA decide to approve or reject the vendor for material supply. Once approved, periodic assessment, by way of an audit, is performed. At any stage a vendor may be disqualified if they fail to meet the pre agreed quality or supply criteria. Certain of the raw materials used by the Group in its bioprocessing processes are sourced from either a single supplier or a limited number of suppliers. In particular, there is a single supplier of a key reagent used in the Group's bioprocessing processes. The Group seeks to mitigate the risk of supply failures of its bioprocessing materials by maintaining strategic inventory levels including of this reagent.

10. Sales and marketing

The Group currently has no sales and marketing organisation as it is some years from its current products being commercialised. To successfully commercialise any products that may result from the Group's development programmes in the future, to the extent that any such products have not been out-licensed, spun out or partnered, the Group may need to develop these capabilities, either on its own or with others.

11. Facilities

Oxford BioMedica is headquartered at Windrush Court, Oxford.

The Group's Windrush Court facility at Transport Way, Oxford, includes newly constructed laboratories, including a dedicated polymerase chain reaction suite, a suite of three Containment Level 3 laboratories which are essential for the analysis and batch release of lentiviral vectors, a number of Containment Level 2 laboratories for process and product development and office accommodation. The Group has MHRA-approved facilities for the bioprocessing of vector for clinical

studies at Harrow House, which is also located in Transport Way, Oxford, and also at the Yarnton facility, Oxford.

The Group has recently completed the expansion of the Harrow House facility to include a second clean room and has plans, as yet uncommitted, to build a third clean room and a fill/finish capability subject to an evaluation of potential increased demand. The new second suite at Harrow House, which has recently obtained MHRA approval, is dedicated to serum-free, single use, bioreactor-based production of lentiviral vector (Process "B") to support next-generation vector manufacture, which is a switch from the adherent cell factories (Process "A"), and will provide material to support Novartis, other current and future partners and the Group's in-house pipeline assets. Pilot studies suggest significant productivity improvement. The Yarnton facility is already in productive use and has been producing lentiviral vector for Novartis' CTL019 programme steadily since the site was approved in January 2016, allowing the production of lentiviral vectors using both adherent cell factors and 200 litre large-scale suspension bioreactor processes.

The Group acquired the laboratory and office building, Windrush Court, to handle the increased volume of GMP analytical testing and process development. Windrush Court is significantly larger than the Medawar Centre facility and will allow most of the Group, other than those based at Harrow House and Yarnton, to be located at Windrush Court. The laboratory facilities at Windrush Court were being fully renovated but the works have been completed. The laboratory-based staff and equipment have been relocated to Windrush Court and the Medawar Centre will be fully vacated by the end of October 2016.

12. Employees

The Group's workforce is currently highly skilled and experienced in cell and vector engineering, assay development, bioprocessing process development, bioprocessing operations, regulatory applications for new clinical studies, and management of clinical studies, quality systems management and intellectual property management.

Employee numbers have risen from 113 at 1 January 2015 to 231 at 31 December 2015. The increase has been the recruitment of bioprocessing-related employees – clean room staff, quality management and analytical testing – with some related to clinical and technical development activities.

As at 30 June 2016, the Group had 252 employees, all of whom were employed in the UK. The average number of employees employed by the Group during the periods covered by the historical financial information on Oxford BioMedica contained in this document breaks down as follows:

	Years ended 31 December			Six months ended 30 June	
	2013	**2014**	**2015**	**2015**	**2016**
Research, development & bioprocessing	81	97	176	148	216
Office and management	14	16	20	21	24
Total	95	113	196	169	240

Part 3

Directors, Senior Management and Corporate Governance

1. Directors and Senior Management

(a) The Board

The Company has a board of directors headed by a Non-executive Chairman with management led by a Chief Executive. The Board comprises a Non-executive Chairman, three Non-executive Directors (two of which are independent) and three Executive Directors as set out below:

Lorenzo Tallarigo	*Non-executive Chairman*
John Dawson	*Chief Executive Officer*
Tim Watts	*Chief Financial Officer*
Peter Nolan	*Chief Business Officer*
Dr. Andrew Heath	*Deputy Chairman and Senior Independent Director*
Martin Diggle	*Non-executive Director*
Stuart Henderson	*Independent Non-executive Director*

Lorenzo Tallarigo (65), *Non-executive Chairman*

Dr. Tallarigo was appointed as Non-executive Director and Chairman in February 2016. From 2008 to 2014 Dr. Tallarigo was a member of the Board, and Chairman from 2011, of Intercept Pharmaceuticals. Intercept Pharmaceuticals is a biopharmaceutical company focused on the development and commercialisation of novel therapeutics to treat liver diseases. From 2009 to 2014, Dr. Tallarigo also held the position of Chief Executive Officer at Genextra, a holding company focused on identifying innovative research and projects in life sciences to develop novel treatments and tools by creating successful business ventures. Under his leadership at Genextra, where he continues as a current Board member, Dr. Tallarigo raised finance to support the activities of several healthcare companies acting in a variety of therapeutic areas. From 1985 to 2008, Dr. Tallarigo worked at Eli Lilly, where he held various positions in areas of clinical research, pharmaceutical product management and marketing and general management, and latterly as its President of international operations. During his latter role at Eli Lilly, Dr. Tallarigo was responsible for $8 billion of revenues and $4 billion in profits, covering 140 countries and managing 12,000 employees. He has a Doctor of Medicine degree from the University of Pisa (Italy) and a PMD from Harvard Business School in Boston.

John Dawson (56), *Chief Executive Officer*

Mr. Dawson was appointed a Director in August 2008 and became Chief Executive Officer in October 2008. From 1996 to 2007, Mr. Dawson held senior management positions in the European operations of Cephalon Inc. including, from 2005, a management board position as Chief Financial Officer and Head of Business Development, Europe. In his time at Cephalon he led many of the deals that built the European business to over 1,000 people, taking the business from having no sales in 1998 to revenue of several hundred million US dollars. In 2005, Mr. Dawson led the US$360 million acquisition of Zeneus by Cephalon. Between 1991 and 1996 he was director of Finance and Administration of Serono Laboratories (UK) Limited.

Tim Watts (59), *Chief Financial Officer*

Mr. Watts was appointed a Director and Chief Financial Officer in February 2012. Mr. Watts has over 20 years' experience in the Pharmaceutical and Biotech sectors. From 1 January 2014 he has become a director of the UK BioIndustry Association. In 1985 he joined ICI, initially in the corporate headquarters and from 1990 in the pharmaceuticals division, eventually becoming Finance Director of the Zeneca Pharmaceuticals business. Following the merger of Astra and Zeneca, Mr. Watts became Group Financial Controller of AstraZeneca PLC in 2001. In 2007, he left AstraZeneca to become Chief Financial Officer at Archimedes Pharma. Mr. Watts is a member of the Institute of Chartered Accountants in England and Wales.

Peter Nolan (63), *Chief Business Officer*

Mr. Nolan joined Oxford BioMedica in 1996 and was appointed to the Board in May 2002 having been a senior member of the Company since its foundation. His current responsibilities include Business Development, Licensing/legal issues, Quality, Health & Safety and Facilities. Until the end of

2013, he was a director of the UK BioIndustry Association and he is a past founding Chairman of the Oxfordshire Bioscience Network. Prior to joining Oxford BioMedica, Mr. Nolan served as Head of the Biotechnology Unit at the UK Department of Trade and Industry for eight years. In that role he was responsible for establishing and managing complex collaborative research programmes involving industry, research councils and other government departments. Previously he held senior positions in the Laboratory of the Government Chemist and also the Metropolitan Police Laboratory in London where he was a senior forensic scientist.

Andrew Heath (68), *Deputy Chairman and Senior Independent Director*

Dr. Heath was appointed a Director in January 2010 and became Deputy Chairman and Senior Independent Director in May 2011. He is a member of the Nominations, Audit and Remuneration Committees. Dr. Heath is a biopharmaceutical executive with in-depth knowledge of US and UK capital markets and international experience in marketing and sales, R&D and business development. He was Chief Executive Officer of Protherics plc from 1997 to 2008, taking the Company from 30 to 350 staff and managing its eventual acquisition by BTG for £220 million. Prior to this, Dr. Heath held senior positions at Astra AB and Astra USA, including Vice President Marketing & Sales, and at Glaxo Sweden as Associate Medical Director.

Martin Diggle (54), *Non-executive Director*

Mr. Diggle was appointed a Director in October 2012. He is a member of the Remuneration Committee. Mr. Diggle is a founder of Vulpes Investment Management, a Cayman Fund Manager which currently manages five funds including Vulpes Testudo Fund and Vulpes Life Sciences Fund which is the Group's second largest Shareholder. An investment professional with over 29 years' experience in investment banking and fund management, Mr. Diggle has extensive, first-hand knowledge of the global financial markets and is an expert in emerging markets and Russia, in particular, where he was a partner and director of UBS Brunswick between 1994 and 2003. He has been an investor in life sciences and biotechnology since 1999 and has developed a passionate interest in the sector having worked closely with several companies as a stakeholder over the past decade. Mr. Diggle holds a master's degree in Philosophy, Politics and Economics from University of Oxford.

Stuart Henderson (57), *Independent Non-executive Director*

Stuart Henderson was appointed a Non-executive Director and Chair of the Audit Committee with effect from 1st June 2016. Mr. Henderson was a partner at Deloitte, where he was Head of European Healthcare and Life Sciences and also served on the Global Industry Team for seven years between 2004 and 2011. Prior to this he was Partner at Arthur Andersen from 1982 to 2002, where he sat on the Andersen Global Life Sciences Team as Head of Emerging Biotechnology. Mr. Henderson has extensive experience in audit and transaction support practice and has worked with life science businesses from start up to multinational as well as acting as reporting accountant on numerous IPO and Class 1 transactions. He has reported as Audit Partner to the audit committees of publicly quoted companies for over 20 years. Mr. Henderson is a former director of the Babraham Institute and currently on the board of OneNucleus, the Life Sciences trade body for Cambridge and London. He is also a director of Cell Therapy Catapult Limited and Norwich Research Partners LLP.

(b) Senior Management

In addition to the Directors, the current members of the senior executive management team with responsibility for day-to-day management of the Group's business are:

Kyriacos Mitrophanous	*Chief Scientific Officer*
James Miskin	*Chief Technical Officer*

Kyriacos Mitrophanous (47), *Chief Scientific Officer*

Dr. Mitrophanous joined Oxford BioMedica in 1996 and has over 18 years of experience in the development of clinically relevant lentiviral vector based medicines, platform technology, production and analytics and holds a PhD in molecular biology from University College London and obtained his postdoctorate from the University of Oxford. Dr. Mitrophanous has overall responsibility for the new product development activities as well as analytical and LentiVector® platform. He is recognised as an expert in lentiviral vectors with key publications in The Lancet and Human Gene Therapy and is an inventor on numerous patents. Dr. Mitrophanous is also responsible for co-leadership of all the

technical aspects of the alliance management of the collaborative programmes. Dr. Mitrophanous is a named inventor on several patents in the field.

James Miskin (46), *Chief Technical Officer*

Dr. Miskin joined Oxford BioMedica in 2000 and has over 14 years of experience in GxP assay development, routine testing, lentiviral based vector bioprocessing development and cGMP bioprocessing. In his current role he has overall responsibility for all bioprocessing and supply activities, as well as bioprocessing development. Dr. Miskin is also responsible for co-leadership of all the technical aspects of the alliance management of the collaborative programmes. Dr. Miskin is a named inventor on several patents in the field, attended the University of Leeds and worked at The Pirbright Institute.

2. Corporate Governance

(a) The Board

The Board is collectively responsible for promoting the success of the Group by directing and supervising the Group's activities to create Shareholder value. In doing so it ensures there are robust corporate governance and risk management processes in place. The Board considers that it complies with the UK Corporate Governance Code. The Board's powers and responsibilities are set out in the Company's Articles and it has a formal schedule of matters reserved for the Board's approval. Certain responsibilities are delegated to three board committees – the Audit, Nomination and Remuneration committees. These committees operate under clearly defined terms of reference which are disclosed on the Group's website.

The Chairman met the independence criteria recommended by the UK Corporate Governance Code when he was appointed in February 2016. Andrew Heath, the Senior Independent Director, and Stuart Henderson are considered to be independent. Martin Diggle is a founder of Vulpes Investment Management which, through its Vulpes Life Sciences Fund, is the Group's second largest investor and as such he is not considered independent under the UK Corporate Governance Code. The Group therefore complies with provision B.1.2 of the UK Corporate Governance Code which recommends that a small company should have at least two independent Non-executive Directors.

There is a clear division of responsibilities between the Chairman and Chief Executive Officer. All Directors and the Board and its committees have access to advice and services of the Company Secretary, and also to external professional advisers as required. The appointment and removal of the Company Secretary is a matter for the Board as a whole to consider. The Chairman's other commitments do not adversely impact the time he can devote to the Group.

The Board meets at least 8 times annually with meeting dates agreed for each year in advance. The Chairman holds meetings from time to time with Non-executive Directors without the Executive Directors in attendance.

The Board recognises the importance of effective communication with Shareholders and endeavours to achieve this using a variety of channels.

The Board is responsible for determining the nature and extent of the risks it is willing to take in achieving the objectives of the Group. The Executive Directors are accountable for identifying the risks and formulating risk mitigation plans. The active involvement of the Executive Directors in the management committees allows them to monitor and assess significant business, operational, financial, compliance and other risks. The Executive Directors provide reports to each board meeting covering, *inter alia*, financing, investor relations, research and development, clinical development, financial performance, commercial interactions and intellectual property management.

(b) Audit Committee

The Audit Committee comprises two Non-executive Directors: Stuart Henderson (Chairman) and Andrew Heath. The Board considers that both members of the Audit Committee possess recent and relevant financial experience.

The primary duties of the Audit Committee, as set out in its written terms of reference which is available on the Group's website, are to (a) keep under review the Company's reporting and internal control policies and procedures; (b) oversee the relationship with the external auditors including their appointment, subject to approval by Shareholders at the annual general meeting, remuneration, independence and the provision of non-audit services; and (c) review and recommend to the Board the financial statements and associated announcements.

Provision C.3.6 of the UK Corporate Governance Code states that the Audit Committee should review the effectiveness of the Company's internal audit function. The Audit Committee considers that, given the size of the Company, it is unnecessary for it to have an internal audit function.

(c) Nomination Committee

The Nomination Committee leads the process for making appointments to the Board, and comprises the Non-executive Directors and the Company Chairman, who is Chairman of the Nomination Committee.

(d) Remuneration Committee

The Remuneration Committee comprises three Non-executive Directors: Andrew Heath (chairman), Stuart Henderson and Martin Diggle. The Remuneration Committee determines, on behalf of the Board, the Company's policy for executive remuneration and the individual remuneration packages for the Executive Directors including awards under the LTIP. At the Committee's invitation or request, the Chief Executive Officer and other Directors may be in attendance at the meetings of the Remuneration Committee. The Committee has access to professional advice, both inside and outside the Company as required. The Company's policy on remuneration is to attract, retain and incentivise the best staff in a manner consistent with the goals of corporate governance. In setting the Company's remuneration policy, the Remuneration Committee considers a number of factors, including the basic salaries and benefits available to Executive Directors of comparable companies.

(e) Internal control

The Directors are responsible for Oxford BioMedica's system of internal control and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss. In addition the Board annually reviews the effectiveness of all significant aspects of internal control, including financial, operational and compliance controls and risk management.

Part 4

Financial Information Relating to Oxford BioMedica plc

The following documents, which have been approved, filed with or notified to the FCA, and which are available for inspection in accordance with paragraph 20 of Part 6 ''Additional Information'' of this document, contains information about the Company and the Group which is relevant to this document:

Annual Report and Accounts of the Group for the year ended 31 December 2013;

Annual Report and Accounts of the Group for the year ended 31 December 2014;

Annual Report and Accounts of the Group for the year ended 31 December 2015;

Interim Financial Statements of the Group for the six month period ended 30 June 2015; and

Interim Financial Statements of the Group for the six month period ended 30 June 2016.

The paragraphs below set out the sections of these documents which are incorporated by reference, and form part of, this document, and only the parts of the documents identified in the table below are incorporated by reference in, and form part of, this document. The parts of these documents which is not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

(a) Oxford BioMedica's unaudited consolidated financial statements for the six months ended 30 June 2016 under IFRS together with relevant notes. The unaudited condensed consolidated balance sheet as at 30 June 2016 is on page 7, the unaudited condensed consolidated statement of comprehensive income for the period ended 30 June 2016 is on page 6, an unaudited condensed statement of changes in Shareholder's equity is on page 13, the unaudited condensed consolidated statement of cash flows is on page 12 and the accounting policies and explanatory notes are on pages 14 to 20;

(b) Oxford BioMedica's 2015 Annual Report and Accounts comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2015 under IFRS together with relevant notes. The independent auditors' report is on page 72 to 76, the consolidated balance sheet as at 31 December 2015 is on page 78, the consolidated statement of comprehensive income for the year ended 31 December 2015 is on page 77, a statement of changes in equity is on page 80, the consolidated statement of cash flows is on page 79 and the accounting policies and explanatory notes are on pages 81 to 104;

(c) Oxford BioMedica's unaudited consolidated financial statements for the six months ended 30 June 2015 under IFRS together with relevant notes. The unaudited condensed consolidated balance sheet as at 30 June 2015 is on page 10, the unaudited condensed consolidated statement of comprehensive income for the period ended 30 June 2015 is on page 9, an unaudited condensed statement of changes in Shareholder's equity is on page 12, the unaudited condensed consolidated statement of cash flows is on page 11 and the accounting policies and explanatory notes are on pages 13 to 17;

(d) Oxford BioMedica's 2014 Annual Report and Accounts, comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2014 under IFRS together with relevant notes. The independent auditors' report is on page 76 to 80, the consolidated balance sheet as at 31 December 2014 is on page 82, the consolidated statement of comprehensive income for the year ended 31 December 2014 is on page 81, a statement of changes in equity is on page 84, the consolidated statement of cash flows is on page 83 and the accounting policies and explanatory notes are on pages 85 to 108; and

(e) Oxford BioMedica's 2013 Annual Report and Accounts, comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2013 under IFRS together with relevant notes. The independent auditors' report is on page 60 to 64, the consolidated

balance sheet as at 31 December 2013 is on page 66, the consolidated statement of comprehensive income for the year ended 31 December 2013 is on page 65, a statement of changes in equity is on page 68, the consolidated statement of cash flows is on page 67 and the accounting policies and explanatory notes are on pages 69 to 93.

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Part 5

Operating and Financial Review of Oxford BioMedica plc

The following discussion of Oxford BioMedica's financial conditions and results of operations should be read together with the historical financial information as at and for the years ended 31 December 2013, 2014 and 2015 incorporated by reference into this document, and with the information relating to Oxford BioMedica's business included in Part 2 "Information on Oxford BioMedica plc".

This discussion involves forward-looking statements based on assumptions about the Company's future business. The Company's actual results could differ materially from those contained in the forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in the sections headed "Risk Factors" and "Important Information – Information regarding forward-looking statements". The principal risks and uncertainties facing the business are discussed in the section of this Prospectus entitled "Risk Factors". Prospective investors should read the whole of this document and should not just rely on the summary operating and financial information set out in this Part 5.

1. Overview of the Company's Business

Oxford BioMedica is a leader in the field of gene and cell therapy. The Group is developing a proprietary pipeline of innovative therapeutic candidates for diseases in the fields of the central nervous system, ophthalmology and oncology, and it also provides process development and bioprocessing services to partner companies in return for fees and long term interest in its partners' products.

Oxford BioMedica's business model is founded on its integrated LentiVector® platform technology, an extensive intellectual property portfolio, both patented and know-how, and its expertise and capabilities in the field of lentiviral vectors for use in gene and cell therapy. The Directors believe that these foundations, which have been developed over twenty years, are increasingly being recognised through commercial relationships with Sanofi and GlaxoSmithKline and also its relationships with Novartis, Immune Design and Green Cross LabCell. The Group's capabilities are demonstrated by its partnership with Novartis with an initial term of three years from October 2014 through which the Group is the sole supplier of lentiviral vector for Novartis' CTL019 CAR-T clinical programme and a further CAR-T programme and a key partner for vector bioprocessing process development.

The Group has established a leading position in lentiviral vector bioprocessing. This has been developed by investment in R&D over many years, which gives Oxford BioMedica significant know-how including proprietary analytical methods. This position was further strengthened by the purchase in 2011 of a purpose-built bioprocessing facility, Harrow House in Oxford. Between October 2014 and June 2016, the Group has expanded its bioprocessing and laboratory capacity by adding a second state-of-the-art GMP clean room facility at Harrow House, developing a new GMP clean room facility at Yarnton, near Oxford, and installing new biological laboratories at the Group's Windrush Court site in Oxford.

Since its founding in 1996, the Group has consistently made financial losses as it has incurred expenditure on R&D activities and has funded its operations primarily through equity fundraisings and, to a lesser extent, through income from collaborations, grants and debt financing. The Group's activities have predominantly been focused on development of its gene and cell therapy product pipeline although expenditure has also been incurred in developing intellectual property, both patents and know-how, relating in particular to bioprocessing processes and analytical methods for lentiviral vectors. Some of these expenditures have been defrayed by partnerships and collaborations with third parties, for example the Group's 2009 development collaboration with Sanofi, which realised $50 million between 2009 and 2014 and which led to Sanofi licensing two ophthalmology gene therapy products from the Group in 2014. Since 2011, when the Group purchased the Harrow House biological bioprocessing facility, there have also been both costs and capital expenditure incurred in building the Group's bioprocessing capabilities. These bioprocessing capabilities have in turn led to the ability to provide bioprocessing and process development services to third parties and, in 2013, the Group started to receive revenue and other income from external customers, most notably Novartis.

In 2013, the Group started to generate revenue from providing bioprocessing process development services, principally to Novartis under a contract signed in May 2013. In October 2014, Novartis and the Group agreed further contracts incorporating a licence agreement granting Novartis certain rights

to the Group's lentiviral intellectual property, a three-year bioprocessing contract under which the Group will produce lentiviral vectors for Novartis, and a bioprocessing process development collaboration. The Group received $9.7 million (£6.1 million) in up-front payments in respect of the licence and can receive up to a further $76 million of revenue and other operating income from bioprocessing and process development over the three years of the bioprocessing agreement. Revenue and other income from bioprocessing and process development services increased in both 2014 and in 2015 to become the Group's most significant income stream. It is expected to grow further in 2016. The process development contract contains payments to the Group for its services charged on a ''time and materials'' basis and also includes performance-based milestones receivable by Oxford BioMedica for achieving a range of volume and yield bioprocessing improvement targets.

Apart from the licences with Sanofi and Novartis the Group has, over the years, granted licences to multiple other parties, mostly for the use of the Group's intellectual property in R&D activity. These generate ongoing annual income but in relatively small amounts compared to the Group's activities under the Novartis and, previously, Sanofi contracts.

The Group also receives other income under three separate grants from UK Government agencies. Innovate UK (formerly the Technology Strategy Board) awarded the Group grants of £1.8 million (August 2013) and £2.2 million (April 2014) to fund the development of OXB-202 and OXB-102, respectively, and a £7.1 million grant and loan funding package (made up of a £1.8 million grant and £5.3 million loan) from the UK Government's Advanced Manufacturing Supply Chain Initiative (''AMSCI''), awarded in 2013, to increase bioprocessing capacity and for process development. These grants are expected to last until 2017 and are drawn down in line with the underlying project expenditure. The AMSCI loan facility has been repaid and cancelled.

As the composition of the Group's revenue has changed in recent years, so too has the composition of its cost of sales. As the Group started to generate bioprocessing revenue in 2013, it also started to incur the related cost of goods consisting of the bioprocessing raw materials and direct labour plus the relevant support activities and overheads. As bioprocessing revenue grows, the cost of sales will do so as well. Prior to the recognition of bioprocessing revenue, the Group's cost of sales consisted principally of relatively small licence payments due to third parties.

Since the Novartis contract was signed in October 2014, the Group has incurred approximately £26 million of capital expenditure in the capacity expansion programme at Harrow House, Yarnton and Windrush Court. Just under £20 million was incurred to the end of 2015 and a further £6 million has been incurred in completing the expansion in the first half of 2016.

As at 31 December 2015, the Group had £9.4 million in cash and raised a further £7.5 million net proceeds from a placing in February 2016, giving the Group sufficient funds to last until towards the end of the third quarter of 2016. As at 30 June 2016, the Group had £11.9 million in cash. On 28 April 2016 the Group indicated that it had sufficient cash to last well into the third quarter of 2016, without including any potential inflows from further contracts or licence agreements. Since then, the Group has received a number of firm purchase orders for bioprocessing batches of lentiviral vector later this year and in the first half of 2017 which have extended the period until towards the end of the fourth quarter of 2016.

The Group's accumulated losses as at 31 December 2015 were £158.7 million. The Group anticipates that it may incur further losses as it continues to build up further demand for its bioprocessing services, although the level of annual losses could be reduced somewhat depending on the amount of revenue-generating services required by the Group's existing and potentially new partners. Because of the numerous risks and uncertainties associated with product development, the Group is unable to determine with certainty the duration and completion costs of the current or future clinical studies of its product candidates. The Group will determine which programmes to pursue and how much to fund each programme in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

The Group began 2016 with £9.4 million cash and raised a further £7.5 million (net) from a placing of shares in February 2016. As at 30 June 2016, the Group's net debt was £19.4 million including £11.9 million of cash. The Directors estimate that the cash held by the Group together with known and probable receivables would be sufficient to support the current level of activities towards the end of the fourth quarter of 2016. This estimate does not include the potential benefit of any upfront receipts from further contracts for process development and bioprocessing services or from out-licensing the Group's intellectual property.

Overall, the Group is continuing to trade in line with management expectations, and on Admission, the Directors believe it will be in an excellent position to advance its focused in-house pipeline, progress its partners' programmes, and secure further partnerships.

2. Significant Factors Affecting Financial Condition and Results of Operations

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors that the Directors believe have in the past affected and will in the future affect the Group's results of operations as well as a discussion of their impact on key line items during the period under review.

- ***Revenue and other income from partnerships and other commercial relationships.*** The Group's revenue and other income has been and will be dependent on collaborative and other commercial relationships it has entered into with partners. The amount and timing of any these payments is uncertain and in many instances is subject to the control of, and timing of activities by, the Group's partners. The Group has entered into collaborations and other commercial arrangements with Novartis, Immune Design and Sanofi, for the bioprocessing, process development, development and commercialisation of certain product candidates. The timing of any up-front, milestone, performance, royalty or other payments that may arise pursuant to these or other relationships the Group may have or enter into will have an impact on the Group's future results.
- ***Levels of research and development activities.*** As part of a strategic review in the first half of 2016, the Group has decided to limit its R&D activities to using its LentiVector® platform (a) to identify potential gene and cell therapy candidates and develop to the end of pre-clinical studies, and (b) to continue to develop and improve the LentiVector® platform. These costs may fluctuate depending on the level of activity. In-house expenditure on personnel-related costs and facilities tends to be relatively steady whilst the external expenditure and any internal expenditure on bioprocessing material for studies can vary from year to year depending on the number of projects that are underway at any time and also on the stage of each project.
- ***Bioprocessing and process development services for partners.*** The Group has been investing in developing its lentiviral vector bioprocessing and process development capabilities and expanding its capacity. The Group has recently completed scaling up its production and other capabilities to perform under its three-year agreement with Novartis, for which the Group is the sole supplier of lentiviral vector of CTL019 clinical study material and a key partner for vector bioprocess development, as well as other potential partners in this area. During 2014, 2015 and the first half of 2016, the Group has incurred approximately £26 million in expanding its bioprocessing and laboratory facilities. The state-of-the-art facilities in Oxford are now completely developed and operational. Also, during 2015, the Group increased its employee numbers and other infrastructure to ensure that it would be ready to fully operate the new facilities as soon as they became available for use in 2016. As a result, in 2015, as well as in the first part of 2016, the Group has incurred higher personnel costs in advance of revenue-generating activities enabled by the capacity expansion. The new Yarnton bioprocessing suite came on line at the start of 2016 and thereby doubled the Group's bioprocessing capacity compared with 2015. A second bioprocessing suite located in the Harrow House facility was approved by the MHRA in July 2016. This should lead to a significant increase in bioprocessing revenue in 2016 without a proportionate increase in non-materials costs as the employees required for production operations in the new Yarnton suites have already been recruited and trained. The Group also anticipates that a portion of the process development milestones which may be earned under the Novartis contracts will be recognised during 2016. As bioprocessing revenue grows, the cost of sales will do so as well. From 2013 onwards, cost of sales include the costs arising from the Group's bioprocessing of product for partners, principally Novartis.
- ***Receipt of grant funding.*** A small part of the Group's income is comprised of government grants that support the Group's research efforts in defined R&D projects. The grants are from Innovate UK and AMSCI. The Company is not reliant on any grants from the European Union. The Group's grants generally provide for reimbursement of the Group's approved expenses incurred as defined in various grants up to certain limits. In addition, if the Group's continued growth means that, in the future, it no longer qualifies as an SME, the number of grants it is eligible for may decrease and grant funding may become a less important source of funding. The Group's ability to continue to obtain grants to help offset some of its R&D costs may have an impact on its future results of operations.

Segmental analysis

As a result of the growth of the partnering revenue, the Group's operating loss for 2015 is allocated between "Partnering" and "R&D".

Year ended 31 December 2015

	Partnering £'000	R&D £'000	Total £'000
Gross income [(1)]	16,286	2,485	18,771
EBITDA	(2,938)	(9,518)	(12,456)
Operating loss	(3,938)	(10,145)	(14,083)

(1) Aggregate of Revenue and Other Operating Income line items

Partnering covers the revenues, other operating income and costs associated with providing IP licences, process development and bioprocessing services to partners. R&D covers the Group's proprietary investment in clinical and pre-clinical product development and the development of LentiVector® platform technical IP.

Most of the Group's gross income is attributed to Partnering except for some corporate licence income and the grant income received from Innovate UK for the OXB-102 and OXB-202 development projects which are included in R&D. Each segment is then charged with the direct and indirect costs which are readily attributable to the segments. The remaining support and corporate costs which cannot be easily attributed are then allocated to each segment, primarily based on levels of activity and direct cost. Broadly, the allocation process results in approximately two-thirds of the support and corporate costs being allocated to Partnering and one-third to R&D. The purpose of this analysis is to monitor the net costs of each segment and ensure that they are being operated efficiently.

The operating loss of the Partnering activities was £3.9 million after allocation of support and corporate costs. During 2015, the Group built up the cost base in anticipation of the new capacity and level of activity expected in 2016. With the anticipated higher bioprocessing volumes, and therefore revenues, the Company believes that the Partnering segment revenues will cover all of its costs in 2016, thereby being at least cash neutral.

The net investment in R&D in 2015 was £10.2 million after grant income and deduction of its share of support and corporate overheads. Approximately 60 per cent. of this was incurred on the Group's product development programmes and the remaining 40 per cent. on investment in lentiviral vector technology which the Company expects, in due course, will generate value through enabling future IP licences and catalysing Partnering deals with third parties.

Six months ended 30 June 2016

	Partnering £'000	R&D £'000	Total £'000
Gross income	12,660	1,361	14,021
EBITDA	39	(5,514)	(5,475)
Operating loss	(947)	(5,995)	(6,942)

The results for the first half of 2016 demonstrate that, with the higher bioprocessing volumes and revenues now possible with the increased capacity, the partnering business is starting to generate positive cash flow which can be used to offset the investment in the Group's R&D.

The Group expects its net investment in the R&D segment in the second half of 2016 to continue broadly at the same level incurred in 2015 as it continues to prepare its Priority Programmes for clinical studies, its discovery efforts to bring additional product candidates into development, and to improve the LentiVector® platform. Beyond 2016, the investment in R&D should decline by between 20 per cent. to 30 per cent. of the 2016 level as the financing of the Priority Programmes would be transferred to third parties in line with the decision to out-licence or spin-out clinical stage products.

3. Description of Key Line Items

(a) Revenue

The Group's revenue comprises income derived from: (i) product and technology licence transactions; (ii) grant funded R&D programmes; (iii) fees charged for providing process development services to partners; and (iv) bioprocessing of clinical products for partners.

Product and technology licence transactions typically have an initial up-front non-refundable payment on execution of the licence, and the potential for further payments conditional on achieving specific milestones, plus royalties on product sales. Where the initial amount received is non-refundable and there are no ongoing commitments from the Group, and the licence has no fixed end date, the Group recognises the amount received up front as a payment in consideration of the granting of the licence on execution of the contract. Amounts receivable in respect of milestone payments are recognised as revenue when the specific conditions stipulated in the licence agreement have been met. Payments linked to ''success'' such as regulatory filing or approval, or the achievement of specified sales volumes, are recognised in full when the relevant event has occurred. Maintenance fees within the contracts are spread over the period to which they relate. Otherwise, amounts receivable are recognised in the period in which related costs are incurred, or over the estimated period to completion of the relevant phase of development or associated clinical trials.

R&D grant funding is recognised as revenue over a period that corresponds with the performance of the funded R&D activities.

Revenues for providing process development activities to partners are recognised during the period in which the service is rendered on a percentage of completion basis.

Bioprocessing of clinical product for partners is recognised under IAS18, with revenues recognised on a percentage of completion basis dependent on the stage of completion of the contract.

The gross amount due from customers on work in progress for which costs incurred plus recognised profits exceed progress billings, is presented as an asset separately on the balance sheet. Consideration received in excess of the stage of completion will be deferred until such time as it is appropriate to recognise the revenue.

(b) Cost of sales

Cost of sales comprises the cost of bioprocessing clinical product for third parties and royalties payable to licensors of IP.

The cost of bioprocessing clinical product for partners includes the raw materials, labour costs, overheads and other directly attributable costs. Costs are recognised on a percentage of completion basis dependent on the stage of completion of the contract. Costs incurred in excess of the stage of completion are recognised as work in progress until such time as it is appropriate to recognise the cost.

The Group's products and technologies include technology elements that are licensed from third parties. Royalties arising from such third parties licenses are treated as cost of sales. Where royalties due have not been paid they are included in accruals. Where revenue is spread over a number of accounting periods, the royalty attributable to the deferred revenue is included in prepayments.

(c) Research, Development and bioprocessing costs

Research, development and bioprocessing expenditure is charged to the statement of comprehensive income in the period in which it is incurred.

Expenditure incurred on development projects, including product candidates, is recognised as an intangible asset when it is probable that the project will generate future economic benefit, considering factors including its commercial and technological feasibility, status of regulatory approval, and the ability to measure costs reliably. Development expenditure, which has been capitalised and has a finite life, is amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit. No such costs have been capitalised to date. Other development expenditures are recognised as an expense when incurred.

(d) Administrative expenses

The Group's administrative expenses consist principally of personnel-related costs covering management and administrative staff, professional fees for legal, consulting, audit and tax services, rent, costs associated with being a public company and other general operating expenses not otherwise included in R&D and bioprocessing expenses.

(e) Other operating income

The Group's other operating income comprises grant income and, from early 2015, process development income arising under the 2014 Novartis contracts. The grant income is partially from Innovate UK, the UK Government agency which has supported the development of the Group's product candidates OXB-102 and OXB-202, and partially from AMSCI. The grants allow the Group to reclaim up to 60 per cent. of qualifying expenditure on the relevant projects. For OXB-102, a product addressing Parkinson's Disease, the grant is subject to a maximum total claimable of £2.2 million, for OXB-202, a potential treatment for corneal graft rejection, the maximum total claimable is £1.8 million. The AMSCI grant can be claimed against projects designed to improve bioprocessing processes and the efficiency of the supply chain, and is subject to a maximum claimable of £1.8 million.

The process development income recorded in other operating income in the first six months of 2015 arose because process development income for work orders defined in the 2014 Novartis contracts is effectively reimbursement by Novartis of R&D costs incurred by the Group in developing intellectual property, which the Group will own. This accounting treatment will continue until the work orders under these contracts are completed.

(f) Finance income and costs

Finance income and costs comprise interest income and interest payable during the year, calculated using the effective interest rate method, and fair value adjustment. Prior to 2014 the Group had no borrowing and earned finance income from holding cash on deposit. Since January 2014, the Group has incurred finance costs as a result of interest charges on outstanding indebtedness under various loan facilities, including the Oberland Facility.

(g) Taxation

The Group is loss making and therefore has not paid any corporation tax. The UK Government operates an R&D Tax Credit system designed to encourage companies to invest in R&D. Companies can reduce their tax bill or claim payable cash credits as a proportion of their R&D expenditure. For there to be qualifying R&D for the purpose of the tax relief, a company must be carrying on a project that seeks an advance in science or technology. It is necessary to be able to state what the intended advance is, and to show how, through the resolution of scientific or technological uncertainty, the project seeks to achieve this. The activities that constitute R&D for tax purposes are those activities undertaken as part of the project which are deemed to be accounted for as R&D under generally accepted accounting practice. The R&D tax credits allow companies an increased, or enhanced, deduction in respect of qualifying expenditure on R&D activities. The enhanced deduction either reduces the company's profit, or increases its losses, for tax purposes if certain conditions are satisfied. Credits are awarded under two separate schemes a ''Small or Medium-sized Entity'' (''SME'') scheme and a large company scheme. For R&D tax credit purposes a SME is a company or organisation with fewer than 500 employees and either an annual turnover not exceeding €100 million or a balance sheet not exceeding €86 million. Oxford BioMedica meets these SME criteria and is therefore able to claim SME R&D Tax Credits. In certain circumstances a SME may be able to make a claim under the large company scheme where the conditions for the SME scheme are not fulfilled. SMEs are able to claim payable tax credits in cash from HMRC if they have losses in the accounting period but the enhanced relief must be surrendered in order to receive this payment. The tax credits available to small and medium enterprises have been substantially increased over recent years. The super-deduction available has increased to 230 per cent. from 1 April 2012 and the cash back available to loss making SMEs is now 33.35 per cent. of the qualifying expenditure from 1 April 2014.

4. Results of Operations

Consolidated Results of Operations for the six months ended 30 June 2015 and 2016

£'000	Six months ended 30 June (Unaudited)	
	2015	**2016**
Revenue	4,382	12,485
Cost of Sales	(2,385)	(4,851)
Gross profit	1,997	7,634
R&D and bioprocessing costs	(9,201)	(12,740)
Administrative expenses	(2,507)	(3,372)
Other operating income	1,439	1,536
Operating loss	(8,272)	(6,942)
Net finance costs	(328)	(5,013)
Loss before tax	(8,600)	(11,955)
Taxation	2,475	2,566
Loss for the financial period	(6,125)	(9,389)

Revenue

£'000	Six months ended 30 June (Unaudited)	
	2015	**2016**
Sanofi collaboration	123	—
Novartis licence revenue	—	—
Bioprocessing & process development	4,046	11,556
Other licence revenue	213	929
Total revenue	4,382	12,485

Revenue increased from £4.4 million in 2015 to £12.5 million in 2016, an increase of £8.1 million or 184 per cent. The largest component of the increase came from bioprocessing and process development which more than doubled from £4.0 million to £11.6 million driven predominantly by the additional batches of CTL019 viral vector being produced for Novartis enabled by the new capacity brought on line at the start of 2016 at the Yarnton site. Licence revenue of £0.9 million was significantly higher in 2016 than in 2015 due to a licence receipt from Immune Design.

Cost of sales

£'000	Six months ended 30 June (Unaudited)	
	2015	**2016**
Royalties payable	(6)	(82)
Cost of goods sold	(2,379)	(4,769)
Cost of sales	(2,385)	(4,851)

The increase in cost of sales from £2.4 million in 2015 to £4.9 million in 2016 was caused entirely by cost of goods associated with the higher production of viral vector batches.

Research, development and bioprocessing

£'000	Six months ended 30 June (Unaudited)	
	2015	2016
Research, development and bioprocessing costs	9,201	12,740

R&D and bioprocessing costs in the first half of 2016 were £12.7 million, £3.5 million higher than the £9.2 million in the first half of 2015. Around 60 per cent. (£2.0 million) of this increase was caused by higher payroll costs due to the increase in operational employees. £0.6 million of the increase was caused by increased external R&D expenditure on clinical and development projects. Depreciation has increased by £0.7 million as the Company has now brought on line the new bioprocessing facilities at the Yarnton and Harrow House sites, as well as the Windrush Court laboratories. A further £0.2 million increase was caused by an increase in facilities' costs due to the new facilities becoming operational.

Administrative Expenses

£'000	Six months ended 30 June (Unaudited)	
	2015	2016
Administrative expenses	2,507	3,372

Administrative expenses in the first half of 2016 were £3.4 million, £0.9 million higher than the £2.5 million in the first half of 2015. £0.3 million of this increase was caused by higher payroll costs due to employing a higher number of administrative personnel. Depreciation and facilities' costs increased by £0.2 million and £0.2 million, respectively, as the Windrush Court facility became fully operational. Legal and professional fees on new commercial contracts and strategic projects required additional expenditure of £0.4 million, offset by a forex gain of £0.2 million on cash, receivables and payables denominated in foreign currencies.

Other operating income

£'000	Six months ended 30 June (Unaudited)	
	2015	2016
Grant income	720	721
Process development	719	815
Total Other Operating Income	1,439	1,536

Other operating income increased from £1.4 million to £1.5 million. Grant income which is receivable in respect of the OXB-102 and OXB-202 programmes and also for certain proprietary process development improvements was steady at £0.7 million. Process development income is income received from Novartis in respect of shared costs under the process development collaboration signed in October 2014. This increased from £0.7 million in 2015 to £0.8 million in 2016 and was due to increased activity.

Net Finance Costs

Finance costs of £5.0 million in 2016 include an underlying cost of £2.4 million comprising the current cash interest cost on the £31.3 million Oberland Facility plus the amortisation of the final repayment cost, assuming the repayment is made in April 2022 and the true-up required to provide Oberland with the 15 per cent. Internal Rate of Return (IRR) required under the Oberland Facility. In addition the finance costs in 2016 have been impacted by a currency revaluation of £2.6 million on the Oberland Facility caused by the fall in sterling against the US dollar following the outcome of

the EU referendum in June 2016. Interest costs in 2015 were only £0.3 million because the first tranche of $25 million of the Oberland Facility was drawn down in early May 2015 so there were only two months of interest charge on a lower capital amount.

Taxation

The R&D tax credit of £2.6 million in 2016 includes £0.7 million in respect of the amount by which the final amount received in June 2016 for the 2015 calendar year exceeded the estimate included in the 2015 financial statements.

Consolidated Results of Operations for the Years ended 31 December 2013, 2014 and 2015

£'000	Year ended 31 December (Audited)		
	2013	**2014**	**2015**
Revenue	5,375	13,618	15,909
Cost of sales	(1,140)	(4,416)	(5,839)
Gross profit	4,235	9,202	10,070
R&D and bioprocessing costs	(13,750)	(16,986)	(20,274)
Administrative expenses	(3,422)	(3,957)	(6,741)
Other operating income	114	1,128	2,862
Operating loss	(12,823)	(10,613)	(14,083)
Net finance (expense)/income	60	(185)	(2,899)
Loss before tax	(12,763)	(10,798)	(16,982)
Taxation	1,667	2,137	3,963
Loss for the financial period	(11,096)	(8,661)	(13,019)

Revenue

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Sanofi collaboration	1,659	823	123
Novartis licence revenue	—	4,748	—
Bioprocessing & process development	2,583	7,795	14,439
Other revenue	1,133	252	1,347
Total revenue	5,375	13,618	15,909

Revenue increased from £13.6 million in 2014 to £15.9 million in 2015, an increase of 17 per cent. This increase was the result of an increase in revenue from the Novartis partnership more than offsetting the lack of Sanofi-related revenue. Bioprocessing and process development revenue including milestones, mainly from the agreements with Novartis, grew to £14.4 million in 2015, an increase of £6.6 million from the previous year, as in 2015 there was a full year of activities under the Novartis agreements.

Revenue increased from £5.4 million in 2013 to £13.6 million in 2014, an increase of 153 per cent. This increase was the result of the step up in activities related to the collaboration with Novartis and the signing of the October 2014 Novartis contracts. £7.8 million in revenue was recognised in respect of providing process development and bioprocessing services to partners, primarily from Novartis. In addition, £4.8 million of revenues from the up-front licence payments from Novartis on the signing of the 2014 contracts was recognised. Revenues for 2013 also included a one-off $1 million milestone payment from Pfizer under a licence between the Group and Pfizer which allowed Pfizer to use the Group's 5T4 technology. Sanofi related revenue declined from £1.7 million in 2013 to £0.8 million in 2014 as that collaboration reached its conclusion.

Analysis of revenue by location of customers

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Europe	4,316	13,323	15,382
Rest of world	1,059	295	527
Total revenue	5,375	13,618	15,909

Cost of Sales

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Royalties payable	(141)	(404)	(24)
Cost of goods sold	(999)	(4,012)	(5,815)
Cost of sales	(1,140)	(4,416)	(5,839)

Cost of sales increased from £4.4 million in 2014 to £5.8 million in 2015, an increase of 32 per cent. This increase was primarily as a result of the increase of the cost of goods sold resulting from the increase in the sale of bioprocessing and process development services. Royalties payable decreased from £0.4 million in 2014 to £24,000 in 2015, caused by the absence of income in 2015 which would trigger a royalty payment.

Cost of sales grew from £1.1 million in 2013 to £4.4 million in 2014, an increase of 287 per cent. This increase was primarily the result of the increase of the cost of goods sold from £1.0 million to £4.0 million resulting from the increase in the sale of bioprocessing and process development services. In 2013, cost of goods sold of £1.0 million were incurred for the first time as the Group started to generate bioprocessing and process development revenue.

Research, development & bioprocessing

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Research, development & bioprocessing costs	13,750	16,986	20,274

R&D and bioprocessing costs increased from £17.0 million in 2014 to £20.3 million in 2015, an increase of 19 per cent. The 2014 costs included certain one-off R&D items without which the underlying costs in 2014 would have been £14.7 million. Therefore the underlying increase in R&D and bioprocessing costs was £5.6 million. R&D and bioprocessing costs increased from £13.8 million in 2013 to £17.0 million in 2014, an increase of 23 per cent. The main components of these costs are:

- Payroll and other manpower-related costs such as recruitment, training, and travel accounted for just over half of the £20.3 million in 2015 compared with just under half of the underlying £14.7 million in 2014. The growth in these costs accounted for £4.1 million of the overall £5.6 million increase and was caused by the increase in R&D and Bioprocessing employees from an average of 97 in 2014 to 176 in 2015;
- Facility costs including depreciation accounted for just over 10 per cent. of the costs in both years. The growth, which accounted for around £1.0 million of the increase, was caused by the expansion in the facilities and because costs were incurred at both Windrush Court and the Medawar Centre during 2015 while the Windrush Court laboratories were being prepared. The Medawar Centre will be vacated by the end of October 2016 so the facility costs on that site will fall during the second half of 2016; and

- External expenditure on clinical and pre-clinical costs, including regulatory and pharmacovigilance costs, was around £3 million in both 2015 and 2014.

R&D and bioprocessing costs in 2014 included two one-off items:

- the manufacture of new batches of SAR422459 and SAR421869, the products licensed to Sanofi in 2014 required to complete the ongoing Phase I/II clinical studies under the terms of the agreement with Sanofi. Although these studies have now been transferred to Sanofi, Oxford BioMedica was responsible under the 2009 collaboration agreement for the supply of all the clinical material; and
- the manufacture of a viral vector in respect of an unnamed pilot project which could potentially translate to fees in the future.

Excluding these one-off items, R&D and bioprocessing costs in 2014 would have been £14.7 million, an increase of 7 per cent. over 2013. This increase was partly due to the need to build up personnel, primarily for bioprocessing operations, in response to the new Novartis contracts. There was also expenditure on in-house process development and supply chain improvement projects partially funded by the grant from AMSCI. The increase in R&D costs was partially offset by the grants receivable discussed under ''other operating income'' below. Clinical project costs were broadly stable in 2013 and 2014. Clinical study costs on the projects under the Sanofi collaboration declined as Sanofi took over the clinical studies of the products it licensed, SAR422459 and SAR421869. In addition, the OXB-201 Phase I clinical study recruited its final patient in April 2014 and activity started to wind down thereafter. The decline in R&D costs for these programmes was largely offset by the increase in activity on OXB-102 and OXB-202, which completed pre-clinical studies and began preparations for the clinical studies expected to start in 2016.

Administrative Expenses

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Administrative expenses	3,422	3,957	6,741

Administrative expenses were £6.7 million in 2015 compared with £4.0 million in 2014, an increase of 68 per cent. The growth in costs was caused by higher payroll and other manpower-related costs due to the increase in administrative staff from an average of 16 in 2014 to 20 in 2015, additional facility costs, depreciation, IT and insurance caused by the growth in the business, and advisor fees in respect of new business development opportunities arising as a consequence of the business' higher profile caused by the Group's relationship with Novartis.

Administrative expenses increased from £3.4 million in 2013 to £4.0 million in 2014, an increase of 16 per cent. This increase was due mainly to higher personnel numbers and other costs required to provide support to the Group's rapidly growing business.

Other Operating Income

£'000	Years ended 31 December (Audited)		
	2013	**2014**	**2015**
Grant income	114	1,128	1,714
Process development	—	—	1,148
Total Other Operating Income	114	1,128	2,862

Other Operating Income in 2013 and 2014 consisted entirely of income from grants but, in 2015, process development income arising under the October 2014 contract with Novartis was included in Oxford BioMedica's other operating income as this income is effectively the reimbursement by Novartis of R&D costs incurred by the Group in developing IP which the Group will own. The grant income increase in 2015 was largely due to increased activity on AMSCI projects and also on OXB-102, which resulted in increased grant income.

Other operating income increased from £0.1 million in 2013 to £1.1 million in 2014, an increase of £1 million. This increase was largely the result of the growth in activity on the OXB-202 project, which resulted in increased grant income. In addition, the Group was awarded a grant from the UK Government innovation agency, Innovate UK, for OXB-102 as well as a grant from AMSCI to support the Group's activities in improving bioprocessing and supply chain processes. Activity in these latter two projects started during 2014.

Net Finance Expenses (Income)

Net finance expense increased from £0.2 million in 2014 to in £2.9 million 2015. This is mainly due to interest expense on the Oberland Facility.

Net finance costs increased from a net income of £60,000 in 2013 to a net expense of £0.2 million in 2014, a decrease of £0.2 million. This decrease was primarily due to the recognition of interest payable on the Vulpes Loan Facility and the AMSCI loan facility during 2014, which exceeded the interest received from cash on deposit.

Taxation

The Group is entitled to claim tax credits in the United Kingdom for certain research and development expenditure under both the SME scheme and the large company scheme. The amount included in the statement of comprehensive income for the year ended 31 December 2015 comprises the credit receivable by the Group for 2015. The tax credit is paid in arrears once tax returns have been filed and agreed. The tax credit that is recognised in the financial statements is included in current tax assets (SME scheme) and trade and other receivables (large company scheme) in the balance sheet. The claim for 2015 amounting to £3.4 million was received in June 2016.

Net tax credit increased from £1.7 million in 2013 to £2.1 million in 2014, an increase of 24 per cent. This was due to an increase in the tax credit percentages introduced by the UK Government for 2014 and also to an increase in qualifying expenditure by the Group. The actual outturn for 2014 was a receipt in August 2015 of £3.2 million reflecting an under-estimate in the potential receivable in the 2014 financial statements.

5. Liquidity and Capital Resources

(a) Overview

The Group's principal liquidity needs are to fund its ongoing R&D activities relating to existing and new product candidates and to invest in the continued development of its LentiVector® integrated gene delivery platform. Since its founding in 1996, the Group has funded its operations primarily through equity fundraisings, and, to a lesser extent, through income from collaborations and other commercial arrangements with partners, grants and debt financing.

The Company has completed a number of equity funding rounds. During 1996, seed capital was raised and, in December of that year, the Company raised £5 million in an initial public offering. Between 1996 and 2011 Oxford BioMedica raised a further £131.2 million from secondary offerings. The Company raised a further £11.6 million in July 2012, £21.6 million in June 2014 and £8.1 million (£7.5 million net of expenses) in February 2016 from secondary offerings.

In May 2015, the Group also signed a $50 million loan facility, the Oberland Facility, to provide funds to invest in the Group's capacity expansion and for pipeline advancements and product acquisitions.

The Group has incurred losses since its founding and in each of 2013, 2014 and 2015 had negative cash flow from operating activities. As at 31 December 2015, the Group had accumulated losses of £158.7 million. In the first six months of 2016 the Group made further losses after tax of £9.4 million, increasing the accumulated losses to £167.8 million. The Group anticipates that it will continue to incur losses as it invests further in the development of its in-house focused product candidates and in its discovery and pre-clinical activities, and continuing development of the LentiVector® platform.

The proceeds of the Fundraising will be used to finance investment in the focused in-house product development pipeline, discovery and pre-clinical projects and integrated LentiVector® gene delivery platform development.

Because of the numerous risks and uncertainties associated with product development, the Group is unable to determine with certainty the duration and completion costs of the current or future clinical studies of its product candidates. The Group will determine which programmes to pursue and how

much to fund each programme in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

The Group had incurred £19.6 million of capital expenditure from October 2014 to end of 2015, including the purchase of Windrush Court and the expansion projects (Yarnton, Harrow House and Windrush Court) and has spent a further £6 million in the first half of 2016. This brings the aggregate capital expenditure on the current expansion programmes since October 2014 to approximately £26 million.

(b) Cash flows

The following table sets forth a summary of the Group's net cash flows for each of the periods indicated:

£'000	Years ended 31 December (Audited)			Six months ended 30 June (Unaudited)	
	2013	**2014**	**2015**	**2015**	**2016**
Net cash provided by (used in)					
Operating activities	(11,019)	(6,032)	(13,118)	(9,239)	251
Investing activities	4,232	(5,524)	(16,678)	(4,621)	(5,978)
Financing activities	—	23,582	24,956	15,194	7,512
Net (decrease)/increase in cash and cash equivalents	(6,787)	12,026	(4,840)	1,334	1,785
Cash and cash equivalents					
At start of period	8,956	2,169	14,195	14,195	9,355
Exchange rate changes	—	—	—	(413)	770
At end of period	2,169	14,195	9,355	15,116	11,910

Net cash used in operating activities in each period represents the operating loss adjusted for non-cash items (primarily depreciation, amortisation and the charge for share-based payments), changes in working capital, interest paid and tax credits received.

Investing activities include purchases of tangible and intangible non-current assets, interest received, and the realisation of available for sale investments.

Financing activities include the net proceeds from the issue of share capital and the net amount from the drawdown and repayment of loans.

Cash and cash equivalents in 2013 decreased from £9.0 million at the start of the year to £2.2 million at the end of 2013.

- Cash used in operating activities absorbed £11.0 million. The operating loss was £12.8 million which, adjusted for depreciation and amortisation of £1.1 million, share based payments of £0.4 million and working capital outflows of £1.6 million, increased to £13.0 million. The R&D tax credit receipt of £2.0 million reduced this to £11.0 million.
- Cash provided by investing activities contributed £4.2 million with £5.1 million realised from available for sale investments and £0.1 million interest received being offset by £0.9 million of purchases of tangible and intangible assets, principally bioprocessing and laboratory equipment.
- There were no financing activities in 2013.

  Cash and cash equivalents in 2014 increased from £2.2 million at the start of the year to £14.2 million at the end of 2014.

- Cash used in operating activities absorbed £6.0 million. The operating loss was £10.6 million which, adjusted for depreciation amortisation and impairment of £1.2 million and share based payments of £0.2 million, decreased to £9.2 million and the further adjustments for working capital movements reduced this to £7.4 million. The R&D tax credit receipt of £1.6 million less interest paid of £0.2 million reduced this further to £6.0 million.

- Cash used in investing activities absorbed £5.5 million, resulting entirely from the purchase of property, plant and equipment. The single largest purchase was the £3.5 million cost of acquiring Windrush Court, the Group's new office and laboratory facility in Oxford.
- Cash provided by financing activities contributed £23.6 million, which came predominantly from the issue of shares, £20.1 million of which was raised by the Group's placing and open offer completed in June 2014 and £2.7 million of which was raised in October 2014 from an investment in the Company's equity by Novartis. A further £1.0 million was provided from a drawdown from the AMSCI loan facility.

  Cash and cash equivalents in 2015 decreased from £14.2 million at the start of the year to £9.4 million at the end of 2015.
- Cash used in operating activities in 2015 absorbed £13.1 million. The operating loss was £14.1 million which, adjusted for depreciation and amortisation of £1.6 million and share based payments of £0.7 million decreased to £11.8 million although the further adjustments for working capital movements increased this to £14.9 million. Interest paid of £1.5 million and the R&D tax credit for 2014 of £3.2 million further reduced this to £13.1 million.
- Cash used in investing activities absorbed £16.7 million, resulting entirely from the purchase of property, plant and equipment for the Group's capacity expansion programme at its Yarnton, Harrow House and Windrush Court facilities.
- Cash provided by financing activities totalled £25.0 million, which arose from the Group's debt facilities, consisting of the drawdown of an initial $25 million (£16.3 million) tranche and a further $15 million (£9.8 million) of the Oberland Facility, and the drawdown (£2.0 million) and repayment (£3.0 million) of the AMSCI facility.
- The Group raised a further £7.5 million net of expenses through a placing in February 2016.

Cash and cash equivalents increased in the first six months of 2016 by £2.5 million from £9.4 million to £11.9 million. Cash generated by operating activities in the period was £0.2 million derived from a cash outflow from operations of £1.5 million and interest paid of £1.7 million, offset by the receipt of £3.4 million in respect of the 2015 R&D tax credit. Investing activities absorbed £6.0 million, being the final stages of the capacity expansion expenditure. Financing activities generated £7.5 million from the placing of 5 per cent. of the Group's equity in February 2016, and exchange rates movements resulted in a £0.8 million increase in the Group's cash balances.

(c) Debt facilities

Prior to January 2014 the Group had no debt facilities. In January 2014 the Group entered into a £5.0 million loan facility at an interest rate of 10 per cent. with Vulpes Life Sciences Fund, the Group's then largest shareholder. During the course of 2014, £1.5 million of this facility was drawn down. The loan was fully repaid and the facility was terminated in June 2014.

In 2013, the Group was awarded a funding package of £7.1 million under AMSCI. Of this package, £5.3 million was a loan facility bearing interest at 6 per cent., and £1.8 million was in the form of grant finance. In April 2014, the Group drew down £1 million from the AMSCI facility. In March 2015, the Group drew down a further £2 million from the AMSCI facility. During May 2015, the loan facility was terminated and the outstanding balance of £3.0 million was repaid.

In May 2015, the Group entered into the $50 million Oberland Facility. The Group has used $40 million (£26.1 million) of the facility to finance the Group's expansion of its bioprocessing and laboratory capacity in order to enable it to deliver on commitments under its bioprocessing agreement with Novartis. The Group drew down $25 million (£16.3 million) of the loan in May 2015 and a further $15 million (£9.8 million) in September 2015 to ensure adequate finance for the ongoing capacity expansion programme. The remaining funds under the Oberland Facility are available to be drawn down in minimum tranches of $5 million at the Group's option prior to 31 March 2017 and the proceeds of such drawdowns may be used only for certain permitted acquisitions and licensing activities as approved by Oberland in its sole discretion. The Oberland Facility is repayable not later than 1 May 2022 and may be prepaid at any time. Over the course of the loan term, interest is payable quarterly at an annual interest rate of 9.5 per cent. plus the greater of 1 per cent. and three month LIBOR. Under the terms of the Oberland Facility, loans are issued at an original discount of 2.5 per cent. In addition to interest, a repayment fee is also payable upon any repayment including on exit. Oxford BioMedica will also pay an additional amount of 0.35 per cent. of its annual worldwide net revenue, as calculated from the Group's financial statements, from 1 April 2017 to 31 December 2025 for each $5 million of loan drawn down over $30 million. This revenue

participation may be retired at any time upon payment of an exit fee. In the event that the loan is repaid after the second anniversary there may be a true-up payment payable to Oberland in the event that the aggregate of the interest payments, revenue participation payments and exit fee do not in aggregate provide a return of 15 per cent. per annum to Oberland. The Group is required to maintain a cash balance not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding. The Oberland Facility is secured by a pledge over substantially all of the Group's assets. Drawdowns of additional tranches are subject to certification by Oxford BioMedica that Oxford BioMedica's representations and warranties under the Oberland Facility agreement remain true and correct as of the drawdown date, and certifications relating to no default or material adverse effect.

6. Capital Expenditure

The following table sets out the Group's capital expenditure for each of the periods indicated.

£'000	Years ended 31 December (Audited)			Six months ended 30 June (Unaudited)	
	2013	2014	2015	2015	2016
Property, plant and equipment	839	5,577	16,716	4,644	5,983
Intangible assets	98	—	—	—	—
Total	937	5,577	16,716	4,644	5,983

Capital expenditure in 2013 was £0.9 million, mainly incurred on purchasing bioprocessing and laboratory equipment.

In 2013 the Group was awarded a £7.1 million funding package from AMSCI to support the development of a centre in Oxford for specialist bioprocessing of gene-based therapies. The package comprised a £5.3 million loan facility to be used for capital expenditure and a £1.8 million grant to offset expenditure on process development and supply chain improvements. In 2014, the Group started to draw on these funds and incurred £1.0 million on expansion developments at the Harrow House facility and £1.1 million on bioprocessing and laboratory equipment. In October 2014, shortly after the Novartis contracts were announced, the Group spent £3.5 million to acquire the freehold of Windrush Court, an office and laboratory facility in Oxford, to provide more space to support the activities under the Novartis contracts than is available at the Group's leased Medawar Centre facility. The laboratory-based staff have been relocated to Windrush Court and the Group expects to fully vacate that facility by the end of October 2016. In total, capital expenditure in 2014 amounted to £5.6 million.

As the Novartis bioprocessing contract required more capacity than was available from the Medawar and Harrow House facilities and the Directors believed that demand for viral vector bioprocessing generally was set to grow as more gene and cell therapy products enter later-stage clinical studies and potentially reach the market, the Group embarked on a significant capacity expansion programme. In order to bring on line additional capacity more quickly than could be achieved at Harrow House, the Group leased a warehouse facility at Yarnton, near Oxford in which it has built a new bespoke state-of-the-art vector bioprocessing facility. This facility is now available for GMP bioprocessing for clinical studies and effectively doubles the Group's original capacity for Novartis-related bioprocessing. Renovation is complete at Harrow House and a new clean room and a quality control laboratory, as well as other upgraded facilities enabling services, have been completed. In addition, the Group has re-built the laboratory complex in Windrush Court in order to provide laboratories suitable for handling biological materials and expanded capacity in order to meet the demands required by the increasing volume of GMP production. The Group incurred £16.7 million of capital expenditure in 2015 with £15.2 million being spent on these projects. The total capital expenditure on these projects has amounted to approximately £26 million at their completion in the first half of 2016.

The Group has not yet committed to any other capacity expansion. It would be possible to build additional clean room capacity at Harrow House, as well as a facility to fill the vector product into vials to produce finished product. The Group does not currently have such "fill/ finish" capabilities and outsources this work to external providers. The Directors are keeping these additional projects under review but currently expect that the Group would only commit to this further expansion when it is clear that there is additional revenue-generating bioprocessing demand to justify the increased

investment. The Directors estimate that this further expansion could cost between £5 million and £10 million.

Capital expenditure in the first half of 2016 amounted to £6 million of which £4.1 million was incurred on the development of the Group's bioprocessing and laboratory facilities and a further £1.4 million on manufacturing and laboratory equipment. This expenditure concluded the £26 million capacity expansion programme which began in the fourth quarter of 2014.

7. Contractual Obligations and Commitments

The table below sets out the Group's contractual obligations and commitments as at 31 December 2015.

£'000	Payments due by period				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Contractual Obligations					
Licence maintenance obligations	177	177	328	734	1,416
Debt obligations	2,759	2,759	8,275	44,944	58,737
Operating lease obligations	591	107	254	308	1,259
Finance lease obligations	—	—	—	—	—
Capital expenditure commitments	5,891	237	—	—	—
Total	9,418	3,279	8,857	45,986	61,412

8. Off balance sheet arrangements

The Group has no off balance sheet arrangements. The Group is party to various operating leases, including in respect of its facilities at Yarnton and the Medawar Centre and office equipment and vehicle hire, the obligations of which are not recorded on the Group's balance sheet.

9. Dividend Policy

The Company has never declared or paid any cash dividends on its shares. The Company intends to retain future earnings, if any, to finance the operation of its business and does not anticipate paying any cash dividends in the foreseeable future. Any future determination related to the Company's dividend policy will be made at the discretion of the Board after considering its financial condition, results of operations, capital requirements, business prospects and other factors the Board deems relevant, and subject to the restrictions contained in any future financing instruments.

10. Quantitative and qualitative disclosure about market risk

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk and credit and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. The Group does not use derivative financial instruments to hedge risk exposures. The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(a) Foreign exchange risk

The Group's revenue is mostly receivable in pounds sterling and US dollars, and certain of its expenditures are payable in US dollars and euros. The majority of operating costs are denominated in pounds sterling. A 10 per cent. difference in the £/$ exchange rate over the year in 2015 would have had an impact of approximately £nil (2014: £385,000). In the future, this could present a possible source of foreign exchange risk. The Group also has exposure to the £/€exchange rate due to the need to fund expenditure denominated in euros. Had the pound been 10 per cent. weaker in relation to the euro, the increased cost in 2015 would have been approximately £91,000 (2014: £234,000).

The Oberland Facility is denominated in US dollars and the Group therefore has an exposure to the interest cost and, ultimately the repayment of the facility. In order partially to offset this exposure the

Group has decided to hold part of its cash which is surplus to its day-to-day requirements in US dollar denominated deposit accounts. No other foreign exchange risk is hedged.

(b) Interest rate risk

In May 2015, the Group entered into a $50 million loan facility with Oberland. The Group has drawn down a total of $40 million (£26.1 million) of this facility. The loan is repayable not later than 1 May 2022 and may be prepaid at any time. Over the course of the loan term, interest is payable quarterly at an annual interest rate of 9.5 per cent. plus the greater of 1 per cent. and three month LIBOR. In addition to interest, an exit fee is payable upon any repayment of the loan or part thereof. The Group is also required to pay an additional amount of 0.35 per cent. of annual worldwide net revenues from 1 April 2017 to 31 December 2025 for each $5 million of loan drawn down over $30 million. This revenue participation may be retired at any time upon payment of the exit fee. In the event that the loan is repaid after the second anniversary of the facility, there may be a true-up payment payable to Oberland in the event that the aggregate of the interest payments, revenue participation payments and exit fee do not in aggregate provide a return of 15 per cent. per annum to Oberland. A summary of the Oberland Facility is set out in paragraph 11(i) of Part 6 "Additional Information" of this document.

The Group's policy is to optimise interest receivable on deposits, subject to maintaining access to sufficient liquid funds to meet day to day operational requirements, and preserving the security of invested funds. With the current low level of bank interest rates, interest receivable on bank deposits in 2015 was £26,000 (2014: £53,000). If interest rates had been 100 basis points higher/lower in 2015 the impact on net loss would have been an increase/decrease of £140,000 (2014: £21,000) due to changes in the amount of interest payable.

(c) Credit and liquidity risk

Liquidity risk arises from the Group's management of working capital and the amount of funding required for its operations. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

Cash balances are mainly held on short and medium term deposits with financial institutions with a credit rating of at least A, in line with the Group's policy to minimise the risk of loss. The Group's Treasury Policy provides that no single bank should hold more than £7.5 million or 25 per cent. of the Group's cash resources.

11. Critical Accounting Policies

The Group's discussion and analysis of its financial condition and results of operations are based on its historical financial information, which has been prepared in accordance with IFRS as adopted by the European Union. In applying the Group's accounting policies, management is required to make judgments and assumptions concerning the future in a number of areas. Actual results may be different from those estimated using these judgments and assumptions. Information about critical judgments in applying accounting policies that had the most significant effect on amounts recognised in the consolidated financial statements of the Company during the period under review is set out below.

(a) Revenue recognition

In October 2014, the Group entered into a series of contractual arrangements with Novartis, including a licence over the Group's existing lentiviral vector platform, a bioprocessing and clinical supply agreement and an agreement covering process development. Under these arrangements, the Group received $9.7 million (£6.1 million) in up-front payments, in addition to $4.3 million (£2.7 million) of shares subscribed for by Novartis, of which $7.7 million (£4.8 million) was received in respect of the non-exclusive worldwide development and commercialisation licence in oncology under the Group's existing lentiviral vector platform. Additional amounts of up to $76 million, plus further potential royalties, are receivable under these arrangements over the three years from October 2014.

Management has judged that this amount should be recognised as a separate item in 2014, discrete from amounts to be recognised over the period of the three year bioprocessing contract. This judgment is based on management being satisfied that the customer is able and intends to realise value from this licence independently from any further intellectual property generated in the

collaboration and that its fair value is sufficiently reliable. In reaching this judgment management had regard to several considerations including:

- The existing intellectual property covered by the licence is sufficient to allow CTL019 to be manufactured for commercial use, and any intellectual property that might arise from the process development under the contract is not a pre-requisite for its commercial manufacture.
- The licence allows Novartis to use the existing intellectual property for other oncology products apart from CTL019.
- The other elements of the arrangements have an appropriate price and fair value (the residual elements).
- The $7.7 million upfront is comparable with similar transactions with third parties that the Group has previously contracted, taking into account the stage of development and the market potential of the product.

This judgment reflects both the separability of the licence for the existing intellectual property and the assessment of the fair values of each of the components of the Novartis agreements.

(b) Intangible asset impairment

At 31 December 2015, the book value of the Group's intangible assets was £1.7 million, arising from purchases of intellectual property rights and in-process R&D in 2007, £1.3 million of which related to the Group's PrimeBoost technology with the remainder comprising multiple smaller items. Amortisation is charged over the intangible assets' patent life on a straight line basis from the date that the asset becomes available for use. When there is an indicator of a significant and permanent reduction in the value of intangible assets, an impairment review is carried out. The impairment analysis is principally based on estimated discounted future cash flows which are compared to the carrying value of the intangible asset.

The future cash flows are based on management's estimates of the potential sales of these products and the milestone and revenue stream that would accrue to the Group. Actual outcomes could vary significantly from such estimates of discounted future cash flows, due to the sensitivity of the assessment to the assumptions used. Were management to judge that the discounted cash flows from the prospective licence income are worth less than the carrying value of the intangible asset, then it would be necessary to impair the valuation.

(c) Other matters

Since the end of the last financial year, there are no trends in production, sales and inventory, costs and selling prices that are expected to have a material effect on the current financial period.

Although there have been numerous updates to accounting standards and interpretations under IFRS since 2007, none had a material impact on the Company's accounting policies or the financial information presented in this prospectus.

Part 6

Additional Information

1. Responsibility

The Company and the Directors, whose names are set out on page 42 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated on 20 September 1996 under the Companies Act 1985 as a private company limited by shares and registered in England and Wales under number 3252665 with the name Pinco 838 Limited. The Company was re-registered as a public company on 30 October 1996, on which date the name of the Company was changed to Oxford BioMedica plc.

2.2 The registered and head office of the Company is at Windrush Court, Transport Way, Oxford OX4 6LT, United Kingdom (telephone number +44 (0) 1865 783 000).

2.3 The principal legislation under which the Company operates and under which the shares were and are created is the Companies Act (including the Companies Act 1985) and the regulations made thereunder.

3. Share capital

3.1 The issued and fully paid up share capital of the Company as at 12 September 2016 (being the latest practicable date before the publication of this document) was as follows:

	Issued	Number
Existing Ordinary Shares of one pence each	£27,038,060.22	2,703,806,022

The issued and fully paid up share capital of the Company immediately following Admission (assuming no exercise of share options under the Share Schemes) will be as follows:

	Issued	Number
Ordinary Shares of one pence each	£30,871,776.87	3,087,177,687

3.2 On 1 January 2013 (being the date of commencement of the period for which historical financial information on Oxford BioMedica has been provided in this document), the issued share capital of the Company was £14,161,490.05 million divided into 1,416,149,005 Ordinary Shares of one pence each in nominal value all of which were issued and fully paid. Since that date the following changes have been made to the authorised and issued share capital of the Company:

(a) on 16 June 2014, 1,078,435,914 Ordinary Shares were allotted and issued at a price per share of 2.0 pence pursuant to a firm placing and open offer by the Company;

(b) on 10 October 2014, 70,807,500 Ordinary Shares were issued to Novartis as part of the announced agreement that included an equity investment at 3.8 pence each;

(c) on 25 February 2016, 128,383,528 Ordinary Shares were allotted and issued at a price of 6.3 pence pursuant to a placing by the Company; and

(d) between January 2013 and 12 September 2016, 10,030,075 options have been exercised by employees.

3.3 If Shareholders vote in favour of the Resolutions set out in the Notice of General Meeting and if the Resolutions become unconditional:

(a) pursuant to Resolution 2, the Directors will be generally and unconditionally authorised, in accordance with section 551 of the Companies Act (in addition to all existing authorities conferred on the Directors pursuant to section 551 of the Companies Act which shall continue in full force and effect), to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into such shares

(all of which transactions are hereafter referred to as an allotment of "relevant securities"), up to an aggregate nominal amount of £3,833,716.65 representing 383,371,665 New Ordinary Shares pursuant to the Fundraising. The authority conferred by this resolution shall expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of the passing of this resolution, whichever is earlier, save that the Company may, before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuant of such offer or agreement as if the authority conferred had not expired or been revoked or varied; and

(b) pursuant to Resolution 3, the Directors will be given power, in addition to all other existing powers of the Directors under sections 570 or 571 of the Companies Act which shall continue in full force and effect, to allot equity securities as defined by section 560 of the Companies Act for cash pursuant to the authority under section 570 of the Companies Act conferred on them by the Resolution referred to at 3.3(a) above as if section 561 of the Companies Act did not apply to the allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £3,833,716.65. Such power shall, subject to the continuance of the authority conferred by the Resolution referred to at 3.3(a) above, (unless previously revoked or varied by the Company in general meeting) expire on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of the passing of the Resolution, whichever is earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

3.4 Save as disclosed in paragraph 3.9 of this Part 6, neither Oxford BioMedica nor any of its subsidiaries has granted any options over its share or loan capital which remain outstanding or has agreed, conditionally or unconditionally, to grant any such options.

3.5 The Existing Ordinary Shares currently in issue are, and the New Ordinary Shares will be, in registered form and capable of being held in uncertificated form in CREST. Where Ordinary Shares are held in certificated form, share certificates for the New Ordinary Shares will be sent to the registered member by first class post.

3.6 When admitted to trading, the New Ordinary Shares will be registered with the existing International Security Identification Number (ISIN) GB0006648157.

3.7 The New Ordinary Shares to be issued pursuant to the Fundraising will be credited as fully paid and will rank equally in all respects with the Existing Ordinary Shares, including the right to receive any dividends or distributions made, paid or declared after Admission.

3.8 The provisions of section 561 of the Companies Act and the Listing Rules confer on Shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are to be paid up in cash, except to the extent disapplied by resolutions of the Company including the Resolutions.

3.9 As at 12 September 2016 (the latest practicable date prior to the publication of this document) the following share options granted to certain Directors and employees of the Group under the Share Schemes were outstanding:

	Date options granted (and term where relevant)	Subscription price per share	Exercisable from	Expiry date	Number of Existing Ordinary Shares under option	Exercised July/August
2007 Share Scheme	2008	5.75p	13 October 2011	13 October 2018	425,000	
2007 Share Scheme	2009	6.10p	25 March 2012	25 March 2019	151,877	
2007 Share Scheme	2011	5.40p to 5.82p	15 March 2014 to 4 October 2014	15 March 2021 to 4 October 2021	1,545,983	
2007 Share Scheme	2012	2.28p to 3.10p*	8 May 2013 to 21 December 2013	8 May 2022 to 21 December 2022	2,846,162	153,844
2007 Share Scheme	2013	1.56p to 2.83p*	22 May 2014 to 19 November 2014	22 May 2023 to 19 November 2023	5,230,333	192,793
2007 Share Scheme	2014	2.03p to 4.0p*	3 June 2016 to 17 October 2016	3 June 2024 to 17 October 2024	5,655,017	114,873
2007 Share Scheme	2015	9.8p	13 March 2018	13 March 2025	356,997	
2015 Employee Share Option Scheme	2015	9.75p	10 June 2018	10 June 2025	9,196,969	
2015 ESOS	2016	5.49p	16 May 2019	16 May 2026	14,254,132	
2007 LTIP	2008	1.00p	13 October 2011	13 October 2018	1,000,000	
2007 LTIP	2012	1.00p	30 June 2016	30 June 2022	20,480,000	
2007 LTIP	2013	1.00p	12 June 2016	12 June 2023	9,750,901	
2007 LTIP	2014	1.00p	20 June 2017 to 17 October 2017	20 June 2024 to 17 October 2024	20,879,740	
2015 LTIP	2015	0.00p	10 June 2018	10 June 2025	10,545,754	
2015 LTIP	2016	0.00p	16 May 2019	16 May 2026	8,945,532	
DBP	2014	0.00p	18 June 2015 to 17 October 2017	18 June 2024 to 17 October 2024	7,161,253	
DBP	2015	0.00p	7 May 2016	7 May 2025	3,232,588	
DBP	2016	0.00p	16 May 2017	16 May 2026	5,931,498	
2015 SAYE	2015	6.22p	1 October 2018	1 October 2025	5,331,079	
Total					132,925,815	461,510

* Options granted during the period between 2012 and 2014 are vesting in 25 per cent. tranches on the first to fourth anniversaries of the grant date. The date from which they are exercisable shows the date on which the first 25 per cent. becomes exercisable.

All of the above options were granted for nil consideration.

4. Memorandum of Association and Articles of Association

4.1 Memorandum of Association

At the annual general meeting of the Company held on 27 April 2010 a resolution was passed which amended the Company's memorandum of association so that all of the provisions in the memorandum of association other than the Company's name were deleted. The Company has unrestricted objects.

4.2 Articles

The Company's Articles contain provisions to the following effect:

a) Rights attaching to the Ordinary Shares

The following is a summary of the rights under the Articles which attach to the Existing Ordinary Shares.

(i) Voting rights

Subject to any special rights or restrictions as to voting which are given to any shares (as to which there are none at present), the Articles state that every qualifying person (being a member, authorised representative in the case of a corporate member, or proxy) present at a general meeting has one vote on a show of hands, and on a poll every Shareholder present in person or by proxy has one vote for every share of which he is the holder. Shareholders may appoint one or more proxies (or authorised representatives in the case of a corporate member) but on a vote on a show of hands if a person is appointed as proxy for two or more Shareholders he shall have one

vote, unless the Shareholders instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution being voted on. If a Shareholder present is also a proxy for one or more other Shareholders he shall have one vote only. In the case of joint holders, the vote of the person whose name stands first in the register of members is accepted to the exclusion of any vote tendered by any other joint holder. Unless the Directors otherwise determine, a Shareholder is not entitled to be present or to vote, either personally or by proxy, at any general or class meeting while any amount of money relating to his shares remains outstanding.

(ii) Voting by Proxy

To appoint a proxy, the Shareholder must deliver a validly executed instrument appointing a proxy (a "Proxy Notice") to the registered office of the Company, or to any other place specified in the notice of meeting or in any document sent with the notice within the specified time frame. The time frame for delivery is 48 hours before a meeting or adjourned meeting or 24 hours before a poll is to be taken if the poll is taken more than 48 hours after the day of the meeting or adjourned meeting. A Proxy Notice will expire 12 months from its date of execution or delivery by electronic communication (such as fax or e-mail). A Proxy Notice can be in any form which the Directors may approve including the appointment of a proxy by means of an electronic communication in the form of an uncertificated proxy instruction in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors. Delivery of a Proxy Notice does not preclude a Shareholder from attending, speaking or voting in person at the meeting or poll concerned.

(iii) Dividends

Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Company may, by ordinary resolution, declare dividends to be paid to the Shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Directors. Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Directors may pay interim dividends of such amounts and on such dates and in respect of such periods as the Directors think fit. Except as otherwise provided by the rights attached to the shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in which the dividend is paid.

No dividend will be paid unless the Company has profits available for that purpose in accordance with the provisions of the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency the Directors agree with Shareholders.

Directors may retain any dividend (or part of a dividend) or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient.

The Board may, in respect of any dividend declared or paid on or before the date of the fifth annual general meeting of the Company after 27 April 2010, and thereafter with the sanction of an ordinary resolution of the Company, offer Shareholders the right to elect to receive Ordinary Shares instead of some or all of their cash dividend.

The Company may cease to send any means of payment for any dividend payable on any shares if in respect of at least two consecutive dividends payable on those shares the means of payment has failed but the Company shall recommence sending payments in respect of dividends if the holder of the relevant shares requests such recommencement in writing.

Any dividend which remains unclaimed after a period of twelve years from the date on which such dividend is payable shall be forfeited and returned to the Company.

(b) Transfer

Existing Ordinary Shares are in registered (certificated or uncertificated) form and are freely transferable.

Any Shareholder may effect the transfer of all or any of his certificated shares by an instrument of transfer in the usual common form or in any other form which the Directors may approve. The transfer of an uncertificated share need not be in writing and shall comply with the rules adopted by the Directors which are consistent with the CREST Regulations.

A share transfer form must be signed by or on behalf of the transferor and, in the case of a partly paid share, also on behalf of the transferee. The transferor will continue to be treated as a Shareholder until the name of the transferee is entered in the register of members for the relevant share or shares.

The Directors may, in their absolute discretion and without giving any reason except as required by law, decline to register any transfer of any share which is not a fully paid up share or on which the Company has a lien provided that, if any of these shares have been admitted to the Official List, this does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also decline to register any transfer unless:

(i) in the case of a certificated share, the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(ii) in the case of a certificated share, the instrument of transfer is in respect of only one class of share;

(iii) in the case of a transfer to joint holders of a certificated or uncertificated share, the number of joint holders to whom the share is to be transferred does not exceed four.

The Board may also refuse to register a transfer of uncertificated shares in accordance with the CREST Regulations.

If the Directors decline to register a share transfer they must send notice of the refusal to the transferee providing the reason for such refusal. In the case of a certificated share, such notice must be sent by the earlier of (1) the time required by the London Stock Exchange, the UK Listing Authority or the Financial Conduct Authority in force for the time being or (2) the expiration of two months after the date on which the instrument of transfer was lodged. In the case of an uncertificated share, such notice must be sent within two months of the date on which the Registrars received "dematerialised instructions" authenticated in accordance with the CREST Regulations to update the Company's register of members to show the transferee as the holder of such share.

(c) Alteration of share capital

The Company may from time to time, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares. Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force the Company may by ordinary resolution sub-divide all or any of its share capital into shares of smaller nominal value than its existing shares and provide that, as between the holders of the divided shares, different rights and restrictions apply. The Company may also cancel any shares which, at the date of the passing of the ordinary resolution have not been taken, or agreed to be taken and reduce the amount of the Company's share capital by the amount of the cancelled shares.

The Company may by special resolution, subject to any confirmation or consent required by law, reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner.

The Directors have the power to deal with fractions of shares resulting from a consolidation, division or sub-division, including issuing fractional certificates or arrange for the sale of the shares representing the aggregated fractions in the market and for the distribution of the net proceeds of sale in proportion among the Shareholders who would have been entitled to the fractions or, if permitted for the retention of such net proceeds for the benefit of the Company.

(d) Restrictions on Shareholders

If any Shareholder or any other person who the Company has reasonable cause to believe has an interest in the Company's shares has been duly served with a statutory notice (pursuant to section 793 of the Companies Act) and has not, within 14 days, provided details of those who have an interest and the extent of their interest in that particular shareholding, the Company may send out a further notice to the shareholder (a ''restriction notice'') to direct that in respect of the shares in relation to which the default occurred (the ''identified shares'') (which expression shall include any further shares which are issued in respect of such shares) the Shareholder shall not be entitled to attend or vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of shares or to exercise any other right in relation to general meetings of Oxford BioMedica or meeting of the holders of any class of shares.

Where the identified shares represent 0.25 per cent. or more in number of the issued shares of a class then the restriction notice may additionally direct that any dividend (or part thereof) or shares issued in lieu of dividend which would otherwise be payable in respect of the identified shares may be withheld and/or that a transfer of any of the identified shares in certificated form and, as far as permitted by the CREST Regulations, any of the identified shares in uncertificated form may be declined to be registered by the Directors, unless the Directors are satisfied that they have been sold outright to an independent third party. Any sale through the London Stock Exchange or other stock exchange or acceptance of a takeover offer will be treated as an outright sale to an independent third party.

(e) Variation of rights

Subject to the provisions of the Companies Act all or any of the rights for the time being attached to any class of shares may from time to time be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of any shares or class of shares shall not, unless expressly provided in the rights attaching to, or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

The provisions of the Articles relating to general meetings will apply to any such separate class meeting but:

(i) the necessary quorum is two Shareholders present in person or by proxy who hold at least one-third in nominal value of the issued shares of the class;

(ii) every Shareholder of the class present in person shall be entitled to one vote or if present by one or more proxies or authorised representatives to one vote for every proxy or authorised representative appointed by him;

(iii) any Shareholder who is present in person, by proxy or by authorised representative can demand a poll at which every Shareholder who is present in person, by proxy or by authorised representative is entitled to one vote for every share he has of the class; and

(iv) if at an adjourned meeting, a quorum (as defined above) is not present, one person who holds shares of the class, or his proxy, will be a quorum.

(f) Directors

Number – Subject to the passing of an ordinary resolution of the Company, there must be at least two Directors and not more than twelve (disregarding alternative) Directors.

Age – No person will be disqualified from being appointed a Director or be required to stop being a Director because he has reached a particular age.

Appointment – Directors may be appointed by ordinary resolution of the Company or by the Board of Oxford BioMedica and a Director need not be a Shareholder. A Director appointed by the Board of Oxford BioMedica holds office only until the next annual general meeting when he will be eligible for reappointment but he is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.

Removal – In addition to any power to remove Directors under the Companies Act, the Company may pass a special resolution (or an ordinary resolution of which special notice has been given in accordance with the provisions of the Companies Act) to remove a Director from office even though his time in office has not ended and may (subject to the Articles) elect a person to replace a Director who has been removed in this way by passing an ordinary resolution.

Retirement by rotation – At every annual general meeting, one-third of the Directors will retire by rotation and be eligible for re-election. If one-third is not a whole number, the number of Directors to retire is the number nearest to and less than one-third. The Directors to retire will be those who have been Directors longest since they were last elected. If there are Directors who were last elected on the same date, and they cannot agree who is to retire, they must draw lots to decide. In addition, any Director who would not otherwise be required to retire by rotation must retire by rotation at the third annual general meeting since his last appointment or re-appointment.

Eligibility – Only the following may be elected as Directors at a general meeting:

(i) Directors retiring at that meeting;

(ii) anyone recommended by the Directors; and

(iii) anyone nominated by a Shareholder (not being the person nominated) entitled to vote at the meeting who has delivered to the office of the Company between seven and 42 clear days before the meeting a letter stating that he intends to nominate another person for election as Director and written confirmation from the nominee that he is willing to be elected.

Remuneration – The total fees paid to all of the Directors for their services as such (excluding amounts payable under other provisions of the Articles) must not exceed £350,000 per annum or such other higher amount as may from time to time be decided by ordinary resolution. Any Director who performs any services for Oxford BioMedica which, in the opinion of the Directors, go beyond the ordinary duties of a Director is entitled to receive extra remuneration (whether by way of salary, commission, participation in profits or otherwise as well as his ordinary pay as a Director) as the Board of Oxford BioMedica or a committee thereof may decide. Each Director may be paid reasonable expenses incurred in attending and returning from Board meetings, committee meetings, general meetings or otherwise properly and reasonably incurred in connection with Oxford BioMedica's business or in the performance of his duties as a Director.

Pensions and gratuities for Directors – The Directors may provide benefits, whether by the payment of gratuities or pensions or by purchasing and maintaining insurance or otherwise, for the benefit of any persons who are or were at any time Directors or the holders of any executive or comparable office of employment with the Company or any other company or undertaking which is or has been (a) a subsidiary of the Company or (b) otherwise allied to or associated with the company or a subsidiary of the Company or (c) a predecessor in business of the Company or of any such subsidiary, or (d) for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before or after he ceases to hold such office or employment) establish, maintain, subscribe and contribute to any fund and pay premiums for the purchase or provision of any such benefit.

(g) Directors' interests

Subject to the provisions of the Companies Act a Director may be a party to or otherwise interested in any contract, transaction, arrangement or proposal with the Company or in which the Company is otherwise interested either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise. A Director may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in such professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any remuneration shall be in addition to any remuneration provided for by any other article.

A Director who to his knowledge is in any way (directly or indirectly) interested in a contract, transaction, arrangement or proposal with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into such contract, transaction, arrangement or proposal is first considered if he knows his interest then exists or in any other case at the first meeting of the directors after he knows that he is or has become so interested or by means of a notice complying with the Companies Act, given as soon as practicable after the interest arises or, as the case may be, the Director knows that he is or has become so interested.

A Director shall not vote or be counted in the quorum on any resolution of the directors concerning his own appointment (including the fixing and varying of terms of appointment) as the holder of any office or place of profit with the Company or any other company in which the Company is directly or indirectly interested. Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employment with the Company or anybody corporate in which the Company is interested (other than one in which the Director and any persons connected with him have such an interest as is mentioned in (d) of the paragraph below) the proposals may be divided and considered in relation to each director separately and (provided he is not under the Articles or for any other reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

A Director shall not vote or count in the quorum in relation to a resolution or meeting of the Directors in respect of any contract or arrangement or any other proposals whatsoever in which he has an interest which (together with any interest of a connected person) to his knowledge is a material interest. Notwithstanding the above, a Director shall be entitled to vote (and be counted in the quorum) on: (a) any transaction in which he is interested by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company; (b) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations undertaken by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; (c) any transaction relating to an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate; (d) any contract, transaction, arrangement or proposal to which the Company is or is to be a party relating to another company, including any subsidiary undertaking of the Company, in which he and any persons connected with him do not to his knowledge (directly or indirectly) hold an interest in shares (as that term is used in Part 22 of the Companies Act) whether as an officer, shareholder, creditor or otherwise representing one per cent. or more of any class of the equity share capital or the voting rights, in that company or of any other company through which his interest is derived; (e) any contract, transaction, arrangement or proposal for the benefit of employees of the Company or any of its subsidiary undertakings (including in relation to a pension fund, retirement, death or disability benefits scheme or personal pension plan) which does not award him any privilege or benefit not generally awarded to the employees to whom the

arrangement relates; (f) any contract, transaction, arrangement or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors; and (g) (save in relation to any matter concerning or affecting his own participation therein) any transaction involving the adoption or modification of any share option or share incentive scheme of the Company.

The provisions of the Articles relating to the permitted interests of the directors and their ability to vote thereon may be suspended or relaxed and a transaction not duly authorised thereby may be ratified, in each case by ordinary resolution.

Without prejudice to any of such provisions of the Articles the Directors have power, in accordance with the Companies Act, to authorise any interest of a Director which conflicts, or may conflict, with the interests of the Company, not being in relation to a contract or arrangement between the Director and the Company itself.

(h) Borrowings

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (exclusive of any borrowings which are owed by one Group company to another Group company) after deducting the amount of cash deposited will not, without the previous sanction of the Company in general meeting, exceed an amount equal to four times the adjusted capital and reserves (as defined in the Articles) or any higher limit fixed by ordinary resolution of the Company which is applicable at the relevant time.

(i) Shareholders' meetings

Subject to the provisions of the Companies Act, an annual general meeting shall be called by at least twenty-one clear days' notice, and all other general meetings shall be called by at least fourteen clear days' notice, subject to compliance with section 307A of the Companies Act. The notice shall specify the place, the date and the time of meeting and the general or special nature of business to be transacted. A general meeting shall, notwithstanding that it has been called by shorter notice than that specified above, be deemed to have been duly called if it is so agreed in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority in number of the members having a right to attend and vote at that meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

(j) Untraced Shareholders

The Company may sell at the best price reasonably obtainable any share of a Shareholder or any share to which a person is entitled by transmission, if:

(i) during the 12 years before the earliest of the notices referred to in (ii) below, at least three dividends have become payable on the shares and no dividend has been claimed during that period;

(ii) after the 12 year period, the Company has published a notice, stating that it intends to sell the shares in a national newspaper in the United Kingdom and in a local newspaper appearing in the area in the United Kingdom which includes the address held by the Company for serving notices relating to those shares;

(iii) during the 12 year period and for three months after the last of the notices referred to in (ii) above appear, the Company has not heard from the Shareholder or any person entitled to the shares by law; and

(iv) the Company has notified the London Stock Exchange that it intends to sell the shares.

To sell any shares in this way, the Directors may appoint anyone to transfer the shares. This transfer will be just as effective as if it had been signed by the Shareholder, or by a person who is entitled to the shares by law. The person to whom the shares are transferred will not be bound to concern himself as to what is done with the purchase moneys nor will his ownership be affected even if the sale is irregular or invalid in any way.

After the sale, the Company must record the name of the Shareholder, or (if known) the person who would have been entitled to the shares by law, as a creditor for the money in its accounts. The Company will not be a trustee of the money and will not be liable to pay interest on it. The Company can use the money, and any money earned by using the money, for its business or in any other way that the Directors decide, but the money cannot be invested in the Company's shares or in the shares of any holding company of the Company. The former Shareholder, or the person who would have been entitled to the shares by law may request such net amount of money to be paid to him at any time.

4.3 Mandatory bids, squeeze-out and sell-out rules

(a) Mandatory bid

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the 12 months prior to the announcement of the offer. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

(b) Squeeze-out

Under the Companies Act, if an offeror were to acquire or contract to acquire 90 per cent. of the shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

(c) Sell-out

The Companies Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who made a takeover offer. If a takeover offer related to all the shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her right, the offeree is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial year.

5. Principal Subsidiary Undertakings of Oxford BioMedica

Oxford BioMedica plc is the parent company of the Group. Details of the Company's principal subsidiary undertakings are set out below. The capital of each subsidiary undertaking is directly or indirectly wholly owned by Oxford BioMedica.

Subsidiary undertaking	Nature of business and operation	Country of Incorporation
Oxford BioMedica (UK) Limited	Gene and cell therapy research and development	England and Wales

6. Property, plant and equipment

6.1 The following table contains information regarding existing or planned material tangible fixed assets owned or leased by members of the Group.

Location	Tenure	Floor area (m2)	Principal use
Windrush Court Transport Way Oxford OX4 6LT, UK	Freehold	6,684	Offices and laboratories
Harrow House Transport Way Watlington Road Oxford OX4 6LY, UK	Freehold	2,980	Bioprocessing facility
Unit 5 Oxford Industrial Park Yarnton, Oxford OX5 1QU, UK	Leasehold	1,700	Bioprocessing facility
Medawar Centre Robert Robinson Avenue The Oxford Science Park Oxford OX4 4GA, UK	Leasehold	2,610	Offices and laboratories

6.2 As far as the Directors are aware and other than as provided in the audited financial statements, there are no pending or likely remediation and compliance costs which may have a material adverse effect on the Company or its property, plant or equipment.

6.3 The property, plant and equipment form part of the security held by Oberland in respect of the $50 million loan facility (as described in paragraph 11(i) of this Part 6).

6.4 As far as the Directors are aware, there are no material environmental issues that may affect the utilisation of the Company's fixed assets.

6.5 The funds required to fulfil the Company's commitments under its leases of the premises detailed above are provided from the Group's operating income.

7 Directors and Senior Managers of Oxford BioMedica

7.1 The Directors and Senior Managers of Oxford BioMedica and their respective functions are as follows:

Director	Position
Lorenzo Tallarigo	Non-executive Chairman
John Andrew Dawson	Chief Executive Officer
Timothy William Watts	Chief Financial Officer
Peter John Nolan	Chief Business Officer
Andrew John William Heath	Deputy Chairman and Senior Independent Director
Martin Henry Diggle	Non-executive Director
Stuart Jonathan Brodie Henderson	Independent Non-executive Director

Senior Manager	Position
Kyriacos Mitrophanous	Chief Scientific Officer
James Miskin	Chief Technical Officer

7.2 The business address of each of the Directors and the Senior Managers is Windrush Court, Transport Way, Oxford OXB 6LT. The brief biographical details of the Directors are set out in Part 3 ''Directors, Senior Management and Corporate Governance'' of this document.

The following table sets out the names of all companies and partnerships outside the Group of which any Director or Senior Manager is or has been a member of the administrative, management or supervisory body or partner at any time in the previous five years (excluding subsidiaries of any company of which the Director or Senior Manager in question is also a member of an administrative, management or supervisory body):

Name	Company/partnership	Position still held (Y/N)
Lorenzo Tallarigo	Intercept Pharmaceuticals, Inc.	N
	Genextra S.p.A.	Y
	Erydel S.p.A.	Y
John Dawson	Paion AG	Y
Tim Watts	TWW Consulting Limited	Y
	BioIndustry Association	Y
	Milebright Limited[1]	N
	Archimedes Pharma Limited	N
	Link Holdings Limited[3]	N
	Archimedes IP Limited[2]	N
	Archimedes Pharma Trustees Limited	N
	Archimedes Pharma Products Limited[2]	N
	Archimedes Development Limited	N
	Archimedes Pharma Europe Limited	N
	Archimedes Holdings Limited	N
Peter Nolan	BioIndustry Association	N
Dr. Andrew Heath	22-24 Sloane Gardens Limited	N
	Anew Optics Inc.	N
	Pioneer Technology Inc.	N
	Integrated Healing Technologies, LLC	Y
	XL Techgroup, LLC	Y
	Carlyle Mansions Limited	Y
	Carlyle Mansions (Tenants) Limited	Y
	Bioindustry Association	N
	Morvus Technology Limited	N
	Novacyt, SA	Y
	Shield Therapeutics plc	Y
Martin Diggle	Chronos Therapeutics Limited	Y
	Proteome Sciences plc	Y
Stuart Henderson	Cell Therapy Catapult Limited	Y
	Norwich Research Partners LLP	
	One Nucleus Limited	Y
Kyriacos Mitrophanous	—	—
James Miskin	—	—

(1) Mr. Watts was a director of Milebright Limited which went into liquidation on 4 August 2011 and was dissolved on 13 December 2012.

(2) Mr. Watts was a director of Archimedes IP Limited and Archimedes Pharma Products Limited, both of which were dormant companies, which went into liquidation on 4 August 2011 and were dissolved on 13 December 2012.

(3) Mr. Watts was a director of Link Holdings Limited which went into liquidation on 4 August 2011 and was dissolved on 13 December 2012.

7.3 Save as disclosed in paragraph 7.2 above, none of the Directors or Senior Managers:

(a) is or has been a member of the administrative, management or supervisory body of any company or partner of any partnerships outside the Group at any time in the previous five years, save as disclosed in paragraph 7.2 above; or

(b) has any convictions in relation to fraudulent offences at any time in the previous five years; or

(c) has been bankrupt, been the subject of or entered into an individual voluntary arrangement at any time in the previous five years; or

(d) has at any time in the previous five years been a member of any administrative, management or supervisory body of any company that has been subject to any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or

(e) has at any time in the previous five years been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or

(f) has at any time in the previous five years had any of his or her assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of the receivership; or

(g) has at any time in the previous five years been subject to any official public criticism, incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conducting the affairs of any company.

7.4 As at 12 September 2016 (being the latest practicable date prior to the publication of this document): (a) the interests of the Directors, Senior Managers and persons connected with the Directors and Senior Managers in the share capital of the Company, such interests being those which could with reasonable diligence be ascertained by the Directors and Senior Managers, whether or not held through another party; and (b) the number of shares held under options by the Directors and Senior Managers under the Share Schemes were, and are expected to be, immediately following Admission as follows:

(a) Shares

Name of Director/Senior Manager	Number of Existing Ordinary Shares beneficially held at present	Per cent. of Existing Ordinary Shares beneficially held at present	Number of Ordinary Shares beneficially held immediately following Admission	Per cent. of issued Ordinary Shares beneficially held immediately following Admission
Lorenzo Tallarigo	354,847	0.01%	1,354,847	0.04%
John Dawson	3,259,019	0.12%	3,925,685	0.13%
Tim Watts	6,395,124	0.24%	7,395,124	0.24%
Peter Nolan	1,401,968	0.05%	1,668,634	0.05%
Andrew Heath	1,300,000	0.05%	1,500,000	0.05%
Martin Diggle[(1)]	475,850,000	17.60%	575,850,000	18.65%
Stuart Henderson	500	00.0%	333,833	0.01%
Kyriacos Mitrophanous	150,000	0.01%	150,000	0.00%
James Miskin	0	00.0%	0	0.00%

(1) Includes interests of Vulpes Life Sciences Fund, Vulpes Testudo Fund and other parties connected to Martin Diggle

(b) Options over Ordinary Shares

Director/Senior Manager	Date of grant	No. of Ordinary Shares under option	Exercise price	Date from which exercisable	Expiry date	Share scheme
John Dawson	2008	1,000,000	1.0p	13 October 2011	13 October 2018	LTIP
John Dawson	2012	6,600,000	1.0p	30 June 2015	30 June 2022	LTIP
John Dawson	2013	2,788,732	1.0p	12 June 2016	12 June 2023	LTIP
John Dawson	2014	4,950,000	1.0p	20 June 2017	20 June 2024	LTIP
John Dawson	2014	2,186,308	0.0p	18 June 2015	18 June 2024	DBP
John Dawson	2015	2,749,282	0.0p	10 June 2018	10 June 2025	LTIP
John Dawson	2015	1,370,154	0.0p	07 May 2016	07 May 2025	DBP
John Dawson	2016	2,798,780	0.0p	16 May 2019	16 May 2026	LTIP
John Dawson	2016	1,600,611	0.0p	16 May 2019	16 May 2026	DBP
Tim Watts	2012	6,000,000	1.0p	30 June 2015	30 June 2022	LTIP
Tim Watts	2013	1,690,141	1.0p	12 June 2016	12 June 2023	LTIP
Tim Watts	2014	3,150,000	1.0p	20 June 2017	20 June 2024	LTIP
Tim Watts	2014	1,325,035	0.0p	18 June 2015	18 June 2024	DBP
Tim Watts	2015	1,764,465	0.0p	10 June 2018	10 June 2025	LTIP
Tim Watts	2015	871,916	0.0p	07 May 2016	07 May 2025	DBP
Tim Watts	2016	1,796,232	0.0p	16 May 2019	16 May 2026	LTIP
Tim Watts	2016	1,066,392	0.0p	16 May 2019	16 May 2026	DBP
Peter Nolan	2012	3,480,000	1.0p	30 June 2015	30 June 2022	LTIP
Peter Nolan	2013	1,466,746	1.0p	12 June 2016	12 June 2023	LTIP
Peter Nolan	2014	2,753,475	1.0p	20 June 2017	20 June 2024	LTIP
Peter Nolan	2014	1,149,910	0.0p	18 June 2015	18 June 2024	DBP
Peter Nolan	2015	1,682,396	0.0p	10 June 2018	10 June 2025	LTIP
Peter Nolan	2015	762,159	0.0p	07 May 2016	07 May 2025	DBP
Peter Nolan	2016	1,729,478	0.0p	16 May 2019	16 May 2026	LTIP
Peter Nolan	2016	1,133,397	0.0p	16 May 2019	16 May 2026	DBP
Kyriacos Mitrophanous	2012	1,170,000	1.0p	30 June 2015	30 June 2022	LTIP
Kyriacos Mitrophanous	2013	669,760	1.0p	12 June 2016	12 June 2023	LTIP
Kyriacos Mitrophanous	2014	1,288,820	1.0p	20 June 2017	20 June 2024	LTIP
Kyriacos Mitrophanous	2014	1,250,000	0.0p	17 October 2017	17 October 2024	DBP
Kyriacos Mitrophanous	2015	1,231,022	0.0p	10 June 2018	10 June 2025	LTIP
Kyriacos Mitrophanous	2016	1,310,521	0.0p	16 May 2019	16 May 2026	LTIP
Kyriacos Mitrophanous	2016	462,777	0.0p	16 May 2019	16 May 2026	DBP
James Miskin	2008	25,000	5.75p	13 October 2011	13 October 2018	2007 Share Options
James Miskin	2012	930,000	1.0p	30 June 2015	30 June 2022	LTIP
James Miskin	2013	587,976	1.0p	12 June 2016	12 June 2023	LTIP
James Miskin	2013	40,727	2.83p	16 09 2016	16 09 2023	2007 Share Options
James Miskin	2014	1,143,660	1.0p	20 June 2017	20 June 2024	LTIP
James Miskin	2014	1,250,000	0.0p	17 October 2017	17 October 2024	DBP
James Miskin	2015	1,231,022	0.0p	10 June 2018	10 June 2025	LTIP
James Miskin	2016	1,310,521	0.0p	16 May 2019	16 May 2026	LTIP
James Miskin	2016	462,777	0.0p	16 May 2019	16 May 2026	DBP

7.5 The interests of the Directors (excluding Martin Diggle) together represent 0.5 per cent. of the issued Existing Ordinary Shares in the capital of the Company as at 12 September 2016 (being the latest practicable date prior to publication of this document) and are expected to represent 0.5 per cent. of the issued Ordinary Shares of the Company immediately following Admission.

7.6 Save as disclosed in paragraph 7.4 of this Part 6 none of the Directors or Senior Managers, nor any person connected with them, has any interest in the share capital of Oxford BioMedica or of any of its subsidiaries or associated undertakings.

7.7 No Director or Senior Manager has any potential conflicts of interest between their duties to the Company and their private interests or their other duties.

8. Directors' and Senior Managers' Service Contracts

8.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to each Director and Senior Manager by the Group for services in all capacities to the Group in respect of the financial year ended 31 December 2015, together with total amounts set aside or accrued by the Group to provide pension, retirement or similar benefits to each Director, were as follows:

Name of Director/Senior Manager	Remuneration and benefits in kind	Pension benefits
	(£000)	*(£000)*
Lorenzo Tallarigo	—	—
John Dawson	682	50
Tim Watts	482	28
Peter Nolan	421	31
Andrew Heath	46	—
Martin Diggle	—	—
Stuart Henderson	—	—
Kyriacos Mitrophanous[(1)]	232	15
James Miskin[(1)]	224	15

(1) Senior Manager

8.2 The details of the Directors' service contracts or appointment letters, all of which are between each individual Director and Oxford BioMedica, are as follows.

(a) Non-executive Chairman

Dr. Tallarigo was appointed as Chairman on from 1 February 2016 for a 3 year period to 31 January 2019, with a provision for termination subject to 3 months' notice. The Non-executive Chairman's fee is currently £150,000 per annum. The Non-executive Chairman's fee is not pensionable.

(b) Executive Directors

Mr. Dawson is Chief Executive Officer of Oxford BioMedica and entered into a service agreement with the Company on 10 October 2008. Mr. Dawson is currently receiving a salary of £341,700 per annum (exclusive of any bonus award, pension contribution or share option grant which may be made by the Directors from time to time). Oxford BioMedica may, in the absolute discretion of the remuneration committee of the Directors, award him a bonus of up to one hundred and twenty five per cent. of his base salary. The service agreement provides that his salary shall be variable upwards by a decision of the Directors and a salary review normally takes place annually. The service agreement has no fixed term and is terminable by mutual agreement between the parties at any time or by either party giving to the other not less than twelve calendar months' notice in writing. As Mr. Dawson is not on a fixed term service agreement, if his employment terminates he is entitled to be given notice as set out above and he will be entitled to receive any salary or benefits for the duration of the notice period. Restrictions on the solicitation of customers, prospective customers or employees of the Company or of competing with the Company by Mr. Dawson will be in force for a period of 9 months following termination of employment.

Mr. Dawson is entitled to 28 days' paid holiday per year in addition to bank or public holidays. In the event that Mr. Dawson is prevented by sickness, injury or other cause from performing his duties he is entitled to receive his full remuneration and benefits for a period of 26 weeks in any period of 12 months. During the term of his service agreement the Company provides Mr. Dawson with life assurance cover which in the event of Mr. Dawson's death while employed shall pay to his chosen dependents a sum equal to four times his basic salary. Also during the term of his service agreement the Company shall pay for private medical insurance for Mr. Dawson, his spouse and dependents and shall also effect permanent health insurance for the benefit of Mr. Dawson to provide for the payment to him of an amount per annum equal to 75 per cent. of pensionable salary if Mr. Dawson is prevented by sickness, injury or other cause from performing his duties for a period longer than 26 weeks. Mr. Dawson is entitled to participate in any share scheme operated from time to time by the Company under the terms of which he is entitled to participate and to receive a total monthly contribution payable by Oxford BioMedica into a group personal pension scheme either nominated by him or established by the Company at a rate of fifteen per cent. of his annual salary (not including bonuses or other allowances). The agreement contains confidentiality provisions which have effect during employment and after termination of employment as well as restrictions on the solicitation of customers, prospective customers or employees of the Company for a period of 12 months following termination of employment. The service agreement also provides that any invention made or intellectual property rights generated by Mr. Dawson in the performance of his duties or as a result of any project agreed with the Company in advance which is outside of his normal duties shall belong to the Company.

Mr. Watts is the Chief Financial Officer of Oxford BioMedica and entered into a service agreement with the Company on 20 February 2012. His service agreement is materially the same as that of Mr. Dawson with the exception that Mr. Watts receives a salary of £219,300 per annum and Mr. Watts has opted to take a cash allowance in lieu of his contractual entitlement of a pension contribution by the Company of fifteen per cent. of his annual salary (not including bonuses or other allowances).

Mr. Nolan is Chief Business Officer of Oxford BioMedica and entered into a service agreement with the Company on 1 May 2002. His service agreement is materially the same as that of Mr. Dawson with the exception that Mr. Nolan receives a salary of £211,150 per annum.

(c) Non-executive Directors

Lorenzo Tallarigo, Andrew Heath, Martin Diggle and Stuart Henderson are appointed as Non-executive Directors of Oxford BioMedica under terms of letters dated 1 January 2013 (Dr. Heath), 5 February 2016 (Dr. Tallarigo), 4 October 2012 (Mr. Diggle) and 21 April 2016 (Mr. Henderson). Their appointments are for a fixed term of three years from the date of appointment after which time, unless the appointment is renewed or extended by the Directors, the Non-executive Director will be expected to step down as a Director. The appointments of the Non-executive Directors may be terminated at any time in accordance with the Articles. If the relevant Non-executive Director's appointment terminates before their fixed term expires, their letter of appointment does not entitle them to any compensation. Each Non-executive Director will be paid their fees up to the termination date. Dr. Tallarigo receives total fees of £150,000 per annum, Dr. Heath receives total fees of £46,000 per annum which includes fees for serving as Senior Independent Director, Deputy Chairman, and as a member of the audit and remuneration committees, Mr. Diggle has elected not to receive fees and Mr. Henderson receives fees of £52,500 per annum which includes fees for serving as Chairman of the audit committee.

(d) Indemnity Arrangements

The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act.

9. Substantial Shareholdings

9.1 As at 12 September 2016 (being the latest practicable date prior to the publication of this document) in so far as is known to Oxford BioMedica, the following person(s) were, directly or indirectly, interested in three per cent. or more of the existing issued ordinary share capital of Oxford BioMedica.

Shareholder	Number of Existing Ordinary Shares held	Per cent. of Existing Ordinary Shares held	Number of Ordinary Shares held immediately following Admission	Per cent. of issued Ordinary Shares held immediately following Admission
M&G Investment Management Limited	489,236,701	18.1%	559,236,701	18.11%
Vulpes Life Sciences Fund	475,850,000	17.6%	542,516,667*	17.57%
Aviva Investors	274,619,200	10.2%	285,619,200	9.25%
Joy Group Limited	235,000,000	8.7%	235,000,000	7.61%
Hargreaves Landsdown Asset Mgmt	105,905,125	3.9%	105,905,125	3.43%
TD Direct Investing	90,100,507	3.3%	90,100,507	2.92%

* Vulpes Testudo Fund have subscribed for 33,333,333 New Ordinary Shares.

9.2 Save as disclosed in paragraph 9.1 of this Part 6, the Directors are not aware of any person who as at 12 September 2016 (being the latest practicable date prior to the publication of this document), directly or indirectly, has an interest in Existing Ordinary Shares which represents three per cent. or more of Oxford BioMedica's issued ordinary share capital.

9.3 Oxford BioMedica is not aware, as at 12 September 2016 (being the latest practicable date prior to the publication of this document): (1) of any persons, directly or indirectly, jointly or severally, who exercise, or could exercise, control over Oxford BioMedica, or (2) of any arrangements, the operation of which may at a subsequent time result in a change of control of Oxford BioMedica.

9.4 The voting rights of Oxford BioMedica's major Shareholders (as detailed at paragraph 9.1 of this Part 6) do not differ from the voting rights enjoyed by any other holder of Existing Ordinary Shares.

9.5 Apart from the transactions set out below, the Company has not entered into any other related party transaction between 1 January 2013 and 12 September 2016 (being the latest practicable date prior to the publication of this document):

(a) The Company entered into a compromise agreement effective from 5 June 2013 with its former executive director, Stuart Naylor. Pursuant to the compromise agreement, Dr. Naylor received a payment of £208,000 as compensation for loss of employment together with contributions by the Company to Dr. Naylor's pension arrangements for the balance of his 12 month notice period and maintenance of his private medical insurance cover for an agreed period.

(b) Dr. Alan Kingsman (former Director) entered into a consultancy agreement effective from 1 July 2009. The agreement was renewed in 2011 at £75,000 per annum until 30 June 2013. Fees paid were £75,000 in 2011 and 2012 and £37,500 in 2013.

(c) The Company entered into a £5 million secured loan facility agreement with Vulpes on 19 November 2013. The amount drawn down under the Vulpes Loan Facility was repaid in full in June 2014 following completion of a firm fundraising and open offer by the Company and the security that was granted to Vulpes Life Sciences Fund over certain of the Group's assets pursuant to the Vulpes Loan Facility was released.

(d) The Company entered into a subscription letter dated 29 May 2014 with Vulpes Life Sciences Fund pursuant to the subscription by Vulpes Life Sciences Fund of 83,452,767 new ordinary shares of 1 pence each in the capital of the Company at a price of 2 pence per ordinary share conditional upon (a) the admission of the new ordinary shares to the Official List and to trading on the London Stock Exchange's main market for listed

securities, and (b) the Company serving notice of prepayment of the Vulpes Loan Facility in consideration for the payment in full (including fees and accrued interest) of the Vulpes Loan Facility.

(e) The Company entered into a subscription letter dated 22 February 2016 with Vulpes pursuant to the subscription by Vulpes Life Sciences Fund of 23,809,523 new ordinary shares of 1 pence each in the capital of the Company at a price of 6.3 pence per ordinary share conditional upon the admission of the new ordinary shares to the Official List and to trading on the London Stock Exchange's main market for listed securities.

10. Placing Agreement

The Placing is being fully underwritten by Jefferies subject to certain conditions set out in the Placing Agreement.

The Company, Jefferies, WG Partners and Scott Harris have conditionally agreed, as agents of the Company, to use their reasonable endeavours to procure Placees outside the United States to subscribe for the Placing Shares at the Offer Price. To the extent Jefferies is not able to procure Placees to subscribe for all of the Placing Shares it has agreed, subject to the terms and conditions of the Placing Agreement, to subscribe itself at the Offer Price for such shares. The Placing Agreement also sets out the terms on which the Company has appointed Jefferies as Sponsor in connection with the Admission.

The Fundraising is conditional, *inter alia*, on (i) all of the Resolutions being passed at the General Meeting; (ii) Admission becoming effective by not later than 8.00 a.m. on 4 October 2016, or such later time and/or date as the Company and Jefferies may agree being not later than 8.00 a.m. on 31 October 2016; (iii) the Subscription Agreements relating to the Subscription remaining in full force and effect, becoming unconditional and not having lapsed or been terminated prior to Admission; and (iv) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms.

The Company has agreed to pay (i) Jefferies an advisory fee and commission on the gross proceeds raised pursuant to the Placing; (ii) WG Partners a fee; and (iii) Scott Harris a fee. The Placing Agreement also contains customary warranties, *inter alia*, as to the accuracy of information contained in this document and an indemnity given by the Company in favour of Jefferies, WG Partners and Scott Harris.

At any time prior to Admission, Jefferies may, in its absolute discretion, terminate the Placing Agreement if, *inter alia*, the applications for Admission are refused by the FCA or the London Stock Exchange; the Company breaches any of its obligations under the Placing Agreement, the consequences of which, in the good faith opinion of Jefferies, would be material in the context of the Fundraising; there has been any material change or development (whether or not foreseeable at the date of the Placing Agreement) which, in the good faith opinion of Jefferies, would make it impractical or inadvisable to proceed with the Fundraising; or the occurrence of a force majeure or market disruption event as specified in the Placing Agreement which, in Jefferies' good faith opinion, makes it impracticable or inadvisable to proceed with the Fundraising or may adversely impact dealings in the New Ordinary Shares following Admission or is likely to materially and adversely affect the price at which the Ordinary Shares are traded on the London Stock Exchange.

The Company will also bear all costs and expenses of the Fundraising, including fees due to the Financial Conduct Authority, the London Stock Exchange, the Receiving Agent's fees, the costs of printing, advertising and circulating this document and related documents, accounting fees and expenses, the Company's legal fees and expenses, Jefferies' legal fees and expenses, stamp duty and stamp duty reserve tax (if any). No expenses will be charged to investors under the terms of the Fundraising.

11. Material Contracts

The following contracts are all: (i) the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this document by members of the Group; and (ii) the contracts (not being contracts entered into in the ordinary course of business) entered into at any time by members of the Group which contain provisions under which any member of the Group has an obligation or entitlement which is or may be material to the Group as at the date of this document:

(a) the Placing Agreement referred to in paragraph 10 of this Part 6;

(b) the Subscription Agreements dated 12 September 2016 between the Company and the Subscribers pursuant to which the Subscribers have agreed to subscribe for the Subscription Shares at the Offer Price. The Subscription Agreements contain certain representations and warranties given by the Subscribers to the Company. The Subscription Agreements are conditional upon (a) the passing of all of the Resolutions; (b) Admission taking place no later than 8.00 a.m. on 4 October 2016 (or such later time and/or date as Jefferies and the Company may agree, not being later than 8.00 a.m. on 31 October 2016); and (c) the Placing Agreement becoming unconditional in all respects in accordance with its terms (save for Admission);

(c) an engagement letter between the Company and Jefferies dated 12 May 2016 pursuant to which the Company has retained Jefferies as Sponsor, Global Co-ordinator and Bookrunner in relation to the Fundraising;

(d) an engagement letter between the Company and WG Partners dated 30 June 2016 pursuant to which the Company has retained WG Partners as a UK Placement Agent in relation to the Fundraising;

(e) the Lock-up Agreements between the Directors, the Company and Jefferies, pursuant to which the Directors have undertaken, for a period of 180 days following Admission, not to issue, offer, pledge, sell or grant options, rights or warrants in respect of, contract to issue, pledge or sell, otherwise dispose of, directly or indirectly, any interest they may have in Ordinary Shares or any securities of the Company, including but not limited to, any securities that are exchangeable for, or that represent the right to receive Ordinary Shares, except for customary exceptions, without prior consent of Jefferies (such consent not to be unreasonably withheld or delayed).

(f) a placing agreement dated 23 February 2016 between the Company, Jefferies and WG Partners pursuant to which Jefferies and WG Partners agreed, severally and not jointly, as agents of the Company, to procure Placees to subscribe for new Ordinary shares of 1 pence each in the capital of the Company at a price of 6.3 pence per new Ordinary Share. Under the terms of the placing agreement, the Company agreed to pay Jefferies and WG Partners an advisory fee and Jefferies a commission on the gross proceeds raised and such placing agreement also contained customary warranties and an indemnity given by the Company in favour of Jefferies and WG Partners; and

(g) the Oberland Facility, a $50 million loan facility agreement between Oxford BioMedica UK as borrower, Oxford BioMedica as guarantor, and certain affiliates of Oberland dated 1 May 2015, to provide funds to invest in the Group's capacity expansion and for pipeline advancements and product acquisitions. The loan is repayable not later than 1 May 2022 and may be prepaid at any time. Over the course of the loan term, interest is payable quarterly at an annual interest rate of 9.5 per cent. plus the greater of 1 per cent. and three month LIBOR. In addition to interest, a fee is also payable upon any repayment, Oxford BioMedica UK would also pay an additional amount of 0.36 per cent. of annual worldwide net revenues from 1 April 2017 to 31 December 2025 for each $5 million of loan drawn down over $30 million. This revenue participation may be retired at any time upon payment of an exit fee. The Oberland Facility is secured by a pledge over substantially all of the Group's assets. The Oberland Facility contains a number of customary covenants that, among other things, restrict the Group's ability, subject to specified exceptions, to incur additional liens; make investments; incur additional debt; merge, dissolve, liquidate or consolidate with or into another entity; sell or dispose of assets; licence, sub-licence, transfer or dispose of certain intellectual property; and engage in transactions with affiliates. In the event that the loan is repaid after the second anniversary there may be a true-up payment payable to Oberland in the event that the aggregate of the interest payments, revenue participation payments and exit fee do not in aggregate provide a return of 15 per cent. per annum to Oberland. The Company is also required under the Oberland Facility to maintain cash and cash equivalents of not less than $10 million (approximately £7.6 million) while the Oberland Facility is outstanding. If the Company were to default on its obligations under the Oberland Facility or be in a position where it was unable to repay amounts drawn down under the facility, Oberland would be entitled to enforce its security, including the potential sale of up to substantially all of the Group's assets in satisfaction of the unpaid debt.

12. Share schemes and individual option contracts

12.1 The Company currently operates the following employee share plans under which options and awards in respect of Existing Ordinary Shares may be granted: (a) the Option Scheme, (b) the LTIP, (c) the DBP, and (d) the Sharesave Scheme. The LTIP, the Option Scheme and the DBP are all discretionary executive share plans and the Sharesave Scheme is an all employee tax advantaged share scheme. Each of the Share Schemes is administered by the Board or any duly authorised committee of the Board, except that decisions in relation to the participation in the LTIP, the Option Scheme and the DBP by Executive Directors are taken by the remuneration committee of the Directors. Summary details of the Share Schemes are as follows.

(a) The Oxford BioMedica 2015 Long Term Incentive Plan

Eligibility

Any employee (including an Executive Director) of Oxford BioMedica or any of its subsidiaries will be eligible to participate in the LTIP at the discretion of the remuneration committee of the Directors.

Form of awards

Awards under the LTIP may be in the form of: (a) a conditional right to acquire ordinary shares in the Company at no cost to the participant (a ''Conditional Award''); (b) an option to acquire shares in the Company at no cost to the participant or with a nominal exercise price (a ''Nil-Cost Option''); (c) a right to receive a cash amount which relates to the value of a certain number of notional shares in the Company (a ''Cash Award''). Conditional Awards, Nil-Cost Options and Cash Awards are together referred to as ''Awards'' and each an ''Award''. References in this summary to shares in the Company include notional shares in the Company to which a Cash Award relates, where appropriate.

A schedule to the LTIP permits the grant of Nil-Cost Options which are tax advantaged Enterprise Management Incentives Options (''EMI Options''). EMI Options may only be granted while the Company meets the requirements of the applicable legislation, and offer beneficial tax treatment to the participant and the member of the Group employing the participant. The provisions of the LTIP will apply to any EMI Option other than where the applicable tax legislation requires the provisions of the LTIP to be varied.

Performance conditions

Unless the remuneration committee of the Directors determines otherwise, Awards will be subject to the satisfaction of a performance condition which will determine the proportion (if any) of the Award which will vest following the end of a performance period. Unless the remuneration committee of the Directors determines otherwise, a performance period shall be at least three years long. The application of performance conditions to Awards granted to an Executive Director will be consistent with the Company's Shareholder approved policy on Directors' remuneration. Any performance condition may be amended or substituted if one or more events occur which cause the remuneration committee of the Directors to consider that an amended or substituted performance condition would be more appropriate. Any amended or substituted performance condition would not be materially less difficult to satisfy.

The performance conditions for the Awards granted in both 2015 and 2016 are based on average annual compound growth in share price over a three year performance period, subject to the following vesting schedule:

Percentage of the Award vesting	Average annual compounded growth in share price	Growth across the three year performance period
25%	15%	52.1%
100%	25%	95.3%

A performance underpin applies so that Awards granted in 2015 and 2016 will vest only to the extent that the remuneration committee of the Directors considers that the overall performance of the Company across the period justifies it. For the purposes of assessing the share price performance condition, share price will be averaged over a three month period at the start and end of the performance period.

Performance conditions for future Awards will be determined by the remuneration committee of the Directors taking into account the Company's strategies and priorities.

Individual limits

Awards will not be granted to a participant under the LTIP over shares in the Company with a market value (as determined by the remuneration committee of the Directors) in excess of 200 per cent. of salary in respect of any financial year. However, Awards granted to Executive Directors will be at a level consistent with the Company's policy on Directors' remuneration which will ordinarily permit the maximum grant of Awards over shares in the Company with a market value of 100 per cent. of salary in respect of any financial year.

Grant of awards

Awards may only be granted within the six week period following the approval of the LTIP by Shareholders, announcement of the Company's results for any period or on any day on which the remuneration committee of the Directors determines that exceptional circumstances exist. However, if the Company is restricted from granting Awards during any such period, Awards may be granted in the period of six weeks following the relevant restriction being lifted.

Dividends

The remuneration committee of the Directors may provide additional shares in the Company (or the cash equivalent) to a participant equal in value to any dividends (which may include or exclude special dividends) paid on vested shares in the Company from the grant date until the date of vesting. In these circumstances, the remuneration committee of the Directors has discretion to determine the basis on which this additional amount will be calculated, which may assume the reinvestment of the relevant dividends into shares in the Company on such terms as the remuneration committee of the Directors determines.

Vesting and exercise

Awards that are subject to a performance condition will normally vest as soon as practicable following the end of the performance period (or on such later date as the remuneration committee of the Directors determines) and then only to the extent that any performance condition has been satisfied. Where Awards are granted without a performance condition, they will usually vest on the third anniversary of the grant date (or on such other date as the remuneration committee of the Directors determines). Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date. At any time before or after the point at which an Award (which is not a Cash Award) has vested, or a Nil-Cost Option has been exercised, but the underlying shares in the Company have yet to be issued or transferred to the participant, the remuneration committee of the Directors may decide to pay a participant a cash amount equal to the value of the shares in the Company he would otherwise have received. Any shares in the Company or cash

that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested Award or an exercised Nil-Cost Option (including a Cash Award) will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting or exercise (as appropriate).

(b) The Oxford BioMedica 2015 Executive Share Option Scheme

Eligibility

Any employee of the Company or any of its subsidiaries will be eligible to participate in the Option Scheme at the discretion of the remuneration committee of the Directors.

While the Option Scheme will permit the grant of options to Executive Directors, an option will only be granted to an Executive Director to the extent permitted by the Company's Shareholder approved policy on Directors' remuneration.

Form of awards

Awards under the Option Scheme will be granted in the form of options to acquire ordinary shares in the Company, with a per share exercise price equal to the market value of a share at the date of grant (an "Option"). The Option Scheme includes schedules under which it is proposed that: Options which satisfy the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 ("Qualifying Options") can be granted, up to the limit permitted by that legislation; and Options which are tax advantaged EMI Options can be granted while the Company meets the requirements of the applicable legislation. The provisions of the Option Scheme will apply to any Qualifying Option or EMI Option other than where the applicable tax legislation requires the provisions of the Option Scheme to be varied.

Performance conditions

Although the Option Scheme will permit the grant of Options on the basis that the proportion (if any) of the Option which will vest will be subject to the satisfaction of a performance condition, the remuneration committee of the Directors does not currently intend to impose performance conditions on Options granted to participants who are not Executive Directors. If in the future, Options are granted to Executive Directors, any such Options will be subject to performance conditions in a manner consistent with the Company's Shareholder approved policy on Directors' remuneration.

Individual limits

Options will not be granted to a participant under the Option Scheme over shares with a market value in excess of 100 per cent. of salary in respect of any financial year.

Grant of options

Options may only be granted within the six week period following the approval of the Option Scheme by Shareholders, announcement of the Company's results for any period, any day on which changes to legislation affecting employee share schemes are proposed or made or on any day on which the remuneration committee of the Directors determines that exceptional circumstances exist. However, if the Company is restricted from granting Options during any such period, Options may be granted in the period of six weeks following the relevant restriction being lifted.

Vesting and exercise

Options that are subject to a performance condition will normally vest at the end of any performance period (or on such later date as the remuneration committee of the Directors determines) and then only to the extent that any performance condition has been satisfied. Where Options are granted without a performance condition, they will usually vest on the third anniversary of the grant date (or on such other date as the remuneration committee of the Directors determines). Options will then normally be exercisable until the tenth anniversary of the grant date on payment of the aggregate exercise price.

At any time before or after the point at which an Option (other than an EMI Option or a Qualifying Option) has been exercised, but the underlying shares have yet to be issued or transferred to the participant, the remuneration committee of the Directors may decide: (a) to transfer a number of shares in the Company to the participant equal in value to the difference between the aggregate value of the shares in the Company over which the

Option is exercised and the aggregate exercise price of the Option that would have been payable for those shares in the Company; or (b) to pay a participant a cash amount equal in value to the difference between the aggregate value of the shares in the Company over which the Option is exercised and the aggregate exercise price that would have been payable for those shares in the Company.

(c) The Oxford BioMedica 2015 Deferred Bonus Plan

The DBP was originally adopted by the Company in 2014 but additional approval on 7 May 2015 was obtained to give the Company the required flexibility in relation to the operation of its share plans, so that Awards under it can be satisfied with new issue shares and treasury shares. The DBP will operate in conjunction with the Company's annual bonus plan.

Eligibility

Any employee (including an Executive Director) of the Company or any of its subsidiaries will be eligible to participate in the DBP at the discretion of the remuneration committee of the Directors. Awards under the DBP are not subject to performance conditions other than those conditions that apply to the annual bonus.

Form of awards

Awards under the DBP may be granted in the same form as Awards under the LTIP. A schedule to the DBP permits the grant of Nil-Cost Options which are tax advantaged EMI Options (''EMI Options''). EMI Options may only be granted while the Company meets the requirements of the applicable legislation and offer beneficial tax treatment to the participant and the member of the Group employing the participant. The provisions of the DBP will apply to any EMI Option other than where applicable tax legislation requires the provisions of the DBP to be varied.

Grant of awards

The remuneration committee of the Directors may determine that a proportion of a participant's annual bonus will be deferred into an Award under the DBP. The intention of the remuneration committee of the Directors is that, for Executive Directors, 50 per cent. of any bonus earned will be deferred into an Award under the DBP. The amount of any Executive Director's bonus to be deferred into an Award under the DBP will be consistent with the Company's Shareholder approved policy on Directors' remuneration.

The number of shares in the Company subject to an Award under the DBP will be such number of shares in the Company as has a market value (at the date of grant of the Award, and as determined by the remuneration committee of the Directors) equal to the value of the annual bonus deferred into an Award under the DBP.

Awards under the DBP may only be granted within the six week period following the announcement of the Company's results for any period, the determination of a participant's annual bonus, any day on which a restriction on the grant of an Award under the DBP is lifted, or on any day on which the remuneration committee of the Directors determines that exceptional circumstances exist.

Dividends

The remuneration committee of the Directors may provide additional shares in the Company (or the cash equivalent) to a participant equal in value to any dividends (which may include or exclude special dividends) paid on vested shares in the Company from the grant date until the date of vesting. In these circumstances, the remuneration committee of the Directors has discretion to determine the basis on which this additional amount will be calculated, which may assume the reinvestment of the relevant dividends into shares in the Company on such terms as the remuneration committee of the Directors determines.

Vesting and exercise

Awards will normally vest as to one-third of the shares in the Company on each of the first, second and third anniversaries of the date of grant. Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date.

At any time before or after the point at which an Award (which is not a Cash Award) has vested, or a Nil-Cost Option has been exercised, but the underlying shares in the Company have yet to be issued or transferred to the participant, the remuneration committee of the Directors may decide to pay a participant a cash amount equal to the value of the shares in the Company he would otherwise have received.

Any shares in the Company or cash that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested Award or an exercised Nil-Cost Option (including a Cash Award) will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting or exercise (as appropriate).

(d) Provisions which are common to the LTIP, the Option Scheme, and the DBP

(i) Cessation of employment

(A) Death

If a participant dies, any unvested Awards he holds under the LTIP or the DBP and any unvested Option he holds under the Option Scheme will, unless the remuneration committee of the Directors determines otherwise, vest as soon as reasonably practicable after the participant's death to the extent that the remuneration committee of the Directors determines, taking into account the satisfaction of any performance condition at that time and, if the remuneration committee of the Directors so determines, the period of time that has elapsed since the Award was granted until the date of death. Where options vest in these circumstances, they will normally be exercisable for 12 months after vesting.

(B) "Good leavers"

If a participant ceases to be employed by the Group by reason of ill-health, injury, disability, the sale of the entity that employs him out of the Group or for any other reason at the discretion of the remuneration committee of the Directors (except where a participant is summarily dismissed), any unvested Awards he holds under the LTIP or the DBP and any unvested Options he holds under the Option Scheme will continue until the normal vesting date unless the remuneration committee of the Directors determines that the Award or Option will vest as soon as reasonably practicable following the date on which the participant ceases to be employed by the Group. In the case of options under the Option Scheme granted to employees other than Executive Directors, the current intention of the remuneration committee of the Directors is to permit exercise for a period of six months following cessation of employment. "Good leaver" reasons in the case of Qualifying Options also include cessation of employment due to redundancy or retirement.

The remuneration committee of the Directors will decide the extent to which an unvested Award or Option vests in these circumstances, taking into account the extent to which any performance condition is satisfied at the end of any performance period or, as appropriate, at the date on which the participant ceases to be employed by the Group. Unless the remuneration committee of the Directors in its discretion determines otherwise, the period of time that has elapsed since the Award or Option was granted until the date on which the participant ceases to be employed by the Group will also be taken into account. Where Options vest in these circumstances, they will normally be exercisable for six months after vesting.

(C) Other leavers

If a participant ceases employment with the Group in any other circumstances any Award he holds under the LTIP or DBP or Option he holds under the Option Scheme shall lapse on the date on which the participant ceases employment.

(ii) Corporate events

In the event of a change of control of the Company, the remuneration committee of the Directors will determine the extent to which Awards under the LTIP and Options under the Option Scheme will vest taking into account the extent to which any performance condition has been satisfied, and, unless the remuneration committee of the Directors determines otherwise, the period of time which has elapsed between the grant date and the relevant event. Alternatively, the remuneration committee of the Directors may permit or, in the case of an internal reorganisation, require Awards to be exchanged for equivalent Awards or Options which relate to shares in another company. Awards under the DBP will vest immediately in the event of a change of control (other than in the case of an internal reorganisation). If other corporate events occur such as a winding up of the Company, or a demerger, delisting, special dividend or other event which, in the opinion of the remuneration committee of the Directors may affect the current or future value of shares in the Company, the remuneration committee of the Directors may determine that Awards will vest taking into account the satisfaction of any relevant performance condition and, unless the remuneration committee of the Directors determines otherwise, pro-rating to reflect the period from the grant date to the date of the relevant event. The remuneration committee of the Directors will determine in these circumstances the length of time during which options can then be exercised, if applicable.

(iii) Malus and clawback

(A) Malus

Unvested Awards under the LTIP and DBP and unvested Options under the Option Scheme may be reduced or cancelled or have further conditions imposed on them in the event of: (a) a material misstatement of the Group's financial results; or (b) an error in the information or assumptions on which the Award or Option was granted or vests including an error in assessing any applicable performance condition (including, in the case of an award under the DBP, an error in assessing the performance conditions which applied to the annual bonus deferred into the award under the DBP); (c) a material failure of risk management by any member of the Group; (d) serious reputational damage to any member of the Group; or (e) material misconduct on the part of the participant.

(B) Clawback

The remuneration committee of the Directors may determine: (a) prior to the second anniversary of vesting of an award under the LTIP or an option under the Option Scheme; and (b) prior to the first anniversary of the vesting of the first tranche of an award under the DBP; that: (i) the award under the LTIP or the relevant tranche of the award under the DBP or the Option Scheme shall be cancelled or reduced or have further conditions imposed on it (if it has not been exercised); or (ii) that the participant shall make a cash payment to the Company in respect of some or all of the shares or cash delivered to him pursuant to that award or option and/or transfer for nil consideration some or all of the shares delivered to him pursuant to that award or option, in the circumstances referred to below.

The circumstances in which clawback may be implemented are: (a) material misstatement of the Group's financial results; (b) an error in the information or assumptions on which the Award or Option was granted or vests including an error in assessing any applicable performance condition (including, in the case of an award under the

DBP an error in assessing the performance conditions which applied to the annual bonus deferred into the award under the DBP); or (c) material misconduct on the part of the participant.

Malus and clawback may be applied to qualifying options and EMI options to the extent permitted by the applicable legislation.

(e) The Oxford BioMedica 2015 Sharesave Scheme

General

The Sharesave Scheme is an "all employee" share scheme which will give participating employees the opportunity to save up to £500 per month (or such other amount permitted under the relevant legislation from time to time) in accordance with a savings contract for three or five years (a "sharesave contract"). The proceeds of the sharesave contract can be used to exercise an option to acquire shares at an option price set at the date of invitation, which shall not be less than 80 per cent. (or such other percentage as may be permitted by the relevant legislation) of the market value of a share at the date of invitation.

The Sharesave Scheme is proposed to satisfy the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 such that options granted under it will offer beneficial tax treatment to the participant and the member of the Group employing the participant.

Eligibility

All employees (including an Executive Director) of the Company, or any of its subsidiaries which participates in the Sharesave Scheme, who have been in employment for a minimum period determined by the remuneration committee of the Directors (not exceeding five years), and any other employees nominated by the remuneration committee may apply for an option on any occasion on which invitations are issued.

Issue of invitations

Invitations to apply for options may be issued at any time subject to obtaining any approval or consent required by the UKLA (or other relevant authority), any dealing restrictions imposed by the Company's share dealing code or the Listing Rules and any other applicable laws or regulations.

Exercise of options

Ordinarily, an option may be exercised within six months of maturity of the sharesave contract.

Cessation of employment

Options may be exercised if a participant leaves employment by reason of death, injury, disability, redundancy, retirement, the sale of the entity that employs him out of the Group or, provided the option has been held for at least three years, any other reason apart from the termination of his employment by his employer.

If a participant ceases employment with the Group in any other circumstances, any option he holds shall lapse on the date on which the participant ceases employment.

Corporate events

Options may be exercised early in the event of a change of control or winding-up of the Company. Alternatively, Sharesave options may be exchanged (with the agreement of the acquiring company) for equivalent options over shares in the acquiring company. Sharesave options will be exchanged (or will lapse) in the event of an "internal reorganisation".

(f) Provisions which are common to the LTIP, the Option Scheme, the DBP and the Sharesave Scheme

Terms of awards and options

Awards and options may be granted over newly issued ordinary shares in the Company, treasury shares or shares in the Company purchased in the market. Awards and options are not transferable (other than on death). No payment will be required for the grant of an award or option. Awards and options will not form part of pensionable earnings.

Overall limit

Each of the LTIP, the Option Scheme, the DBP and the Sharesave Scheme is subject to the following overall limit. In any 10 year period, the number of shares in the Company which may be issued under the relevant plan and under any other employee share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury shares will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

Adjustments

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the opinion of the remuneration committee of Directors, affect the current or future value of shares in the Company, the number of shares in the Company subject to an award or option and/or any performance condition attached to awards or options and/or the exercise price applying to an option under the Option Scheme or the Sharesave Scheme, may be adjusted, provided that any adjustment to a Qualifying Option under the Option Scheme, or to an EMI Option or an option under the Sharesave Scheme may only be made in accordance with the requirements of the applicable tax legislation.

Amendment and termination

The remuneration committee of Directors may amend the LTIP, the Option Scheme, the DBP or the Sharesave Scheme at any time, provided that prior approval of the Company's Shareholders in a general meeting will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the shares in the Company or cash comprised in an award or option and the impact of any variation of capital.

However, any minor amendment to benefit the administration of the LTIP, the Option Scheme, the DBP or the Sharesave Scheme, to take account of legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the remuneration committee of Directors without Shareholder approval.

No amendment may be made to the material disadvantage of participants in the LTIP, the Option Scheme, the DBP or the Sharesave Scheme unless consent is sought from the affected participants and given by a majority of them.

The LTIP, the Option Scheme, the DBP and the Sharesave Scheme will usually terminate on the tenth anniversary of their approval by Shareholders but the rights of existing participants will not be affected by any termination.

13. Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation of the Group as at 30 June 2016:

Capital and reserves	**£'000**
Called up share capital	27,032
Share premium account	147,898
Other reserves (excluding profit and loss reserves)	2,189
Total capitalisation as at 30 June 2016	177,119

There has been no material change in the capitalisation of the Group since 30 June 2016. The following table sets out the consolidated indebtedness of the Group as at 30 June 2016:

Indebtedness	**£'000**
Total current debt	—
Secured	31,324
Unsecured	—
Total non-current debt	31,324
Total indebtedness as at 30 June 2016	31,324

The following table sets out the net consolidated financial indebtedness of the Group as at 30 June 2016:

Net indebtedness	**£'000**
Cash and cash equivalents	11,910
Total liquidity	11,910
Current financial receivables	—
Current financial debt	—
Net current financial indebtedness	—
Other non-current financial indebtedness	(31,324)
Non-current financial indebtedness	(31,324)
Net financial indebtedness	(19,414)

As at 30 June 2016, the Group's net financial indebtedness was £19.4 million.

14. Working Capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Fundraising, the Group has sufficient working capital for its present requirements, that is for at least 12 months following the publication of this document.

15. UK Taxation

The following paragraphs are intended as a general guide only to current United Kingdom tax law and HMRC published practice as at the date of this document both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the United Kingdom taxation treatment of the holders of Ordinary Shares and apply only to shareholders who own their Ordinary Shares legally and beneficially as an investment and who are resident and, in the case of individuals, domiciled in (and only in) the United Kingdom for tax purposes (except where the position of an overseas resident shareholder is expressly referred to). Certain categories of shareholders, such as traders, broker-dealers, insurance companies and collective investment schemes, and shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, may be subject to special rules and this summary does not apply to such shareholders. Any person who is in any doubt about his own tax position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate independent professional adviser.

(a) Taxation of capital gains

New Ordinary Shares acquired pursuant to the Fundraising

The issue of New Ordinary Shares in accordance with the Fundraising will not constitute a reorganisation of share capital for the purposes of the UK taxation of chargeable gains and, accordingly, any New Ordinary Shares acquired pursuant to the Fundraising will be treated as acquired as part of a separate acquisition of shares.

Disposal of Ordinary Shares

A subsequent disposal of Ordinary Shares by an individual Shareholder within the charge to UK capital gains tax will, depending on the shareholder's circumstances, and subject to the availability of any exemptions, reliefs and/or allowable losses, generally be subject to tax on any gain arising at the rate of 10 per cent. (in the case of individuals whose total income and chargeable gains in the tax year of disposal do not exceed the individual's basic rate band for income tax purposes for that tax year) or 20 per cent. (in the case of individuals whose total taxable income and chargeable gains for the tax year of disposal exceed the basic rate band for income tax purposes for that year). A disposal of Ordinary Shares by Shareholders within the charge to UK capital gains tax that are trustees or personal representatives will generally be subject to tax on any gain arising at the corporation tax rate of 20 per cent.

A disposal of Ordinary Shares by a corporate Shareholder within the charge to UK corporation tax, will, subject to the availability to the Shareholder of any exceptions, reliefs and/or allowable losses, generally be subject to tax on any gain arising at the rate of 20 per cent.

Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their Shares are connected or, in the case of a corporate Shareholder, through a permanent establishment in connection with which the Shares are held).

Individual Shareholders who are temporarily not UK resident and who dispose of all or part of their Shares during that period may be liable to UK capital gains tax on chargeable gains realised on their return to the UK, subject to any available exemptions or reliefs. Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

(b) Taxation of dividends

Under current UK tax legislation, Oxford BioMedica is not required to withhold tax at source when paying a dividend.

UK resident individual shareholders

A shareholder who is an individual resident in the UK for tax purposes and who receives a dividend from Oxford BioMedica during the 2016/17 tax year will be subject to a dividend allowance in the form of a 0 per cent. tax rate on the first £5,000 of dividend income received in a year. The dividend tax rates for any additional dividend income above £5,000 will be set at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. Dividend income that is within the dividend allowance will still count towards an individual's basic or higher rate limits. Dividend income will be treated as the top slice of a Shareholder's income.

UK resident corporate shareholders

Corporate shareholders resident in the United Kingdom for tax purposes will not normally be subject to UK corporation tax on any dividend received from Oxford BioMedica. In general, a corporate Shareholder resident in the UK for tax purposes should not normally be subject to corporation tax on any dividend payments by the Company. A broad tax exemption applies, with separate conditions for shareholders that are small companies. If the conditions for exemption are failed or, in the case of Shareholders who are not small companies, specific anti-avoidance provisions apply, a corporate Shareholder will be subject to corporation tax on income on the dividend payment. Where a dividend payment qualifies for exemption, it is possible for the shareholder to elect for the dividend to be taxable. Companies should seek specific professional advice on whether a dividend payment qualifies for exemption.

Non-UK resident shareholders

A shareholder who is not resident in the UK for tax purposes will generally not be subject to UK tax on dividend receipts. Non-UK resident shareholders may be treated as having suffered the 7.5 per cent. 'basic rate' charge on their dividend income but this attributed credit will not be repayable.

(c) Stamp duty and stamp duty reserve tax (SDRT)

The following statements are intended as a general and non-exhaustive guide to the current UK stamp duty and SDRT position and apply regardless of whether or not a Shareholder is resident or ordinarily resident in the UK.

No stamp duty or SDRT will generally be payable on the issue of the New Ordinary Shares. In the case of New Ordinary Shares issued to a clearance service or depository receipt system, this is a result of case law which has been accepted by HMRC (see further below).

Any subsequent conveyance or transfer of Ordinary Shares outside of the CREST system by way of an instrument of transfer (usually, but not necessarily, a stock transfer form) will normally be liable to stamp duty in the hands of the purchaser or transferee at a rate of 0.5 per cent. of the consideration provided for the shares (rounded up, if necessary, to the nearest £5.00). However, an exemption from stamp duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. Any SDRT arising on the unconditional agreement to transfer the Ordinary Shares will be cancelled by duly accounting for the stamp duty (either by paying the appropriate amount of stamp duty or, where the consideration does not exceed £1,000, by certifying the stock transfer form as explained above).

Subsequent paperless transfers of Ordinary Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the consideration provided for the Ordinary Shares in money or money's worth. CREST is generally obliged to collect SDRT from the purchaser of the shares on relevant transactions settled within the system and to pay the SDRT to HMRC. Under the CREST system, no stamp duty or SDRT will arise on a transfer of New Ordinary Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

Clearance Services and Depository Receipt Arrangements

Subject to the comments in the following paragraph, under current law, where Ordinary Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable for the Ordinary Shares or, in certain circumstances, the value of the Ordinary Shares. Subsequent transfers of the Ordianry Shares within the clearance service or depository receipt system would then be exempt from both stamp duty and SDRT. However, clearance service providers may opt, under certain circumstances, for the normal rates of stamp duty and SDRT to apply to an issue or transfer of Ordinary Shares into, and to transactions within, the service instead of the higher rate applying to an issue or transfer of the Ordinary Shares into the clearance system and the exemption for dealings in the Ordinary Shares whilst in the system.

Following litigation however, HMRC have confirmed that they will no longer seek to impose the 1.5 per cent. SDRT charge on issues of UK shares to depositary receipt issuers and clearance services anywhere in the world (or on a transfer of UK shares to such entities where the transfer is an integral part of an issue of share capital) on the basis that the charge is not compatible with EU law. HMRC consider, though, that the 1.5 per cent. SDRT or stamp duty charge will still apply to transfers of UK shares to depositary receipt issuers or clearance services that are not an integral part of an issue of share capital. However, this view is currently being challenged in litigation. Accordingly, specific professional advice should be sought before paying the 1.5 per cent. SDRT or stamp duty charge in any circumstances.

(d) Inheritance Tax

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift or settlement of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs and depending upon the shareholder's circumstances) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

A charge to inheritance tax may arise in certain circumstances where Ordinary Shares are held by close companies and by trustees of settlements. Shareholders of Ordinary Shares should consult an appropriate tax adviser as to any inheritance tax implications particularly (but not limited to) cases where they intend to make a gift or transfer at less than market value or intend to hold Ordinary Shares through a close company or trust arrangement.

(e) The proposed financial transaction tax (FTT)

On February 14, 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in the current form as proposed on February 14, 2013, apply to certain dealings in the Ordinary Shares (including secondary market transactions) in certain circumstances.

Under the proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Ordinary Shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by

transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. Prospective holders of Ordinary Shares should therefore note, in particular, that if the FTT is introduced, financial transactions relating to Ordinary Shares may be subject to the FTT at a minimum rate of 0.1 per cent. provided certain conditions are met.

The FTT proposal remains subject to negotiation between the participating Member States, and the legality and scope of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. In December 2015 it was announced that Estonia had withdrawn from the FTT negotiations. Prospective holders of the Ordinary Shares are advised to seek their own professional advice in relation to the FTT.

THE ABOVE DESCRIPTION OF TAXATION IS GENERAL IN CHARACTER. IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION OR YOU ARE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATE INDEPENDENT PROFESSIONAL ADVISER WITHOUT DELAY.

16. US Taxation

The following is a summary of the material US federal income tax consequences of the acquisition, ownership and disposition of the Company's Ordinary Shares, based upon current law and does not purport to be a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase Ordinary Shares. This summary is based on current provisions of the US Internal Revenue Code of 1986 (the "Code"), existing, final, temporary and proposed United States Treasury Regulations, administrative rulings and judicial decisions, in each case as available on the date of this document. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

This section summarises the material US federal income tax consequences to US Shareholders (as defined below) of Ordinary Shares. This summary addresses only the US federal income tax considerations for US Shareholders that acquire the Ordinary Shares at their original issuance and hold the Ordinary Shares as capital assets. This summary does not address all US federal income tax matters that may be relevant to a particular US Shareholder. Each prospective investor should consult a professional tax advisor with respect to the tax consequences of the acquisition, ownership or disposition of their Ordinary Shares.

This summary does not address tax considerations applicable to a holder of Ordinary Shares that may be subject to special tax rules including, without limitation, the following:

- certain financial institutions;
- insurance companies;
- dealers or traders in securities, currencies, or notional principal contracts;
- tax-exempt entities;
- regulated investment companies;
- persons that hold Ordinary Shares as part of a hedge, straddle, conversion, constructive sale or similar transaction involving more than one position;
- persons that hold Ordinary Shares through partnerships or certain other pass-through entities;
- Shareholders (whether individuals, corporations or partnerships) that are treated as expatriates for some or all US federal income tax purposes;
- Shareholders that own (or are deemed to own) 10 per cent. or more of the Company's voting shares; and
- Shareholders that have a "functional currency" other than the US dollar.

Further, this summary does not address alternative minimum tax consequences or the indirect effects on the holders of equity interests in entities that own Ordinary Shares. In addition, this discussion does not consider the US tax consequences to Shareholders of Ordinary Shares that are not "US Shareholders" (as defined below).

For the purposes of this summary, a "US Shareholder" is a beneficial owner of Ordinary Shares that is (or is treated as), for US federal income tax purposes:

- an individual who is either a citizen or resident of the United States;

- a corporation, or other entity that is treated as a corporation for US federal income tax purposes, created or organised in or under the laws of the United States or any state of the United States or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of the substantial decisions of such trust.

If a partnership holds Ordinary Shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership.

The Company will not seek a ruling from the US Internal Revenue Service (''IRS'') with regard to the US federal income tax treatment of an investment in Ordinary Shares, and the Company cannot assure Shareholders that that the IRS will agree with the conclusions set forth below:

(a) Distributions

At present, the Company does not intend to pay dividends. If dividends or distributions were made, subject to the discussion under paragraph 16(d) below, the gross amount of any distribution actually or constructively received by a US Shareholder with respect to Ordinary Shares will be taxable to the US Shareholder as a dividend to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax principles. Distributions in excess of earnings and profits will be non-taxable to the US Shareholder to the extent of, and will be applied against and reduce, the US Shareholder's adjusted tax basis in the Ordinary Shares. Distributions in excess of earnings and profits and such adjusted tax basis will generally be taxable to the US Shareholder as capital gain from the sale or exchange of property. However, since the Company does not calculate its earnings and profits under US federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution. The US Shareholder will not be eligible for any dividends-received deduction in respect of the dividend otherwise allowable to corporations.

Under the Code and subject to the discussion below in paragraph 16(c) regarding the ''Medicare tax,'' qualified dividends received by non-corporate US Shareholders (i.e., individuals and certain trusts and estates) are subject to a maximum income tax rate of 20 per cent. This reduced income tax rate is applicable to dividends paid by ''qualified foreign corporations'' to such non-corporate US Shareholders that meet the applicable requirements, including a minimum holding period (generally, at least 61 days during the 121-day period beginning 60 days before the ex-dividend date). The Company expects to be considered a qualified foreign corporation under the Code. Accordingly, dividends paid by the Company to non-corporate US Shareholders with respect to shares that meet the minimum holding period and other requirements are expected to be treated as ''qualified dividend income.'' However, dividends paid by the Company will not qualify for the 20 per cent. maximum US federal income tax rate if the Company is treated, for the tax year in which the dividends are paid or the preceding tax year, as a ''passive foreign investment company'' for US federal income tax purposes, as discussed below.

Dividends received by a US Shareholder with respect to Ordinary Shares generally will be treated as foreign source income for the purposes of calculating that US Shareholder's foreign tax credit limitation. The limitation on foreign taxes eligible for the US foreign tax credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company generally will constitute ''passive category income'' (but, in the case of some US Shareholders, may constitute ''general category income''). The amount of the dividend distribution includible in income of a US Shareholder will be the US dollar value of the pounds sterling payment made, determined at the spot rate on the date the dividend distribution is includible in the income of the US Shareholder, regardless of whether the payment is in fact converted to US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

(b) Sale or other disposition of Ordinary Shares

A US shareholder will generally recognise a gain or loss for US federal income tax purposes upon the sale or exchange of Ordinary Shares in an amount equal to the difference between the US dollar value of the amount realised from such sale or exchange and the US Shareholder's tax basis for those Ordinary Shares. Subject to the discussion under paragraph 16(d) below "Passive Foreign Investment Company Considerations", this gain or loss will generally be a capital gain or loss and will generally be treated as from sources within the United States. Such capital gain or loss will be treated as long-term capital gain or loss if the US Shareholder has held the Ordinary Shares for more than one year at the time of the sale or exchange. Long-term capital gains of non-corporate holders may be eligible for a preferential tax rate; the deductibility of capital losses is subject to limitations.

A US Shareholder that receives non-US currency upon the sale or exchange of Ordinary Shares generally will realise an amount equal to the US dollar value of the non-US currency on the date of the sale (or, if the Company's Ordinary Shares are then traded on an established securities market, in the case of cash basis taxpayers and electing accrual basis taxpayers, the settlement date). A US Shareholder will have a tax basis in the non-US currency received equal to the US dollar amount realised. Any gain or loss realised by a US Shareholder on a subsequent conversion or other disposition of non-US currency will be ordinary income or loss, and generally will be US-source income or loss for foreign tax credit limitation purposes.

(c) Medicare Tax

An additional 3.8 per cent. tax is imposed on the net investment income (which includes taxable dividends and net capital gains) received by US Shareholders that are individuals, trusts or estates.

(d) Passive foreign investment company considerations

A corporation organised outside the United States generally will be classified as a passive foreign investment company ("PFIC") for US federal income tax purposes in any taxable year in which, after applying the applicable look-through rules, either: (i) at least 75 per cent. of its gross income is passive income, or (ii) on average at least 50 per cent. of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income. In arriving at this calculation, a *pro rata* portion of the income and assets of each corporation in which the Company own, directly or indirectly, at least a 25 per cent. interest, as determined by the value of such corporation, must be taken into account. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. The Company believes that it was not a PFIC for the 2015 taxable year. Based on the Company's estimated gross income, the average value of the Company's gross assets, and the nature of the active businesses conducted by the Company's "25 per cent. or greater" owned subsidiaries, the Company does not believe that it will be classified as a PFIC in the current taxable year and does not expect to become one in the foreseeable future. The Company's status for any taxable year will depend on its assets and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that the Company will not be considered a PFIC for the current taxable year or any future taxable year. The market value of the Company's assets may be determined in large part by reference to the market price of its Ordinary Shares, which is likely to fluctuate after the Fundraising. In addition, the composition of the Company's income and assets will be affected by how, and how quickly, it spends the cash raised in the Fundraising. If the Company were a PFIC for any taxable year during which a US Shareholder held Ordinary Shares any gain recognised by the US Shareholder on a sale or other disposition (including a pledge) of the Ordinary Shares would be allocated ratably over the US Shareholder's holding period for the Ordinary Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for that taxable year. Similar rules would apply to the extent any distribution in respect of Ordinary Shares exceeds 125 per cent. of the average of the annual distributions on Ordinary Shares received by a US Shareholder during the preceding three years or the US Shareholder's holding period, whichever is shorter. Elections may be available that would result in alternative treatments (such as a mark-to-market treatment) of the Ordinary Shares. In addition, if the Company is considered a PFIC for the current taxable year or any future taxable year, a US Shareholder may be required to file annual information returns for such year, whether or

not the US Shareholder disposed of any Ordinary Shares or received any distributions in respect of Ordinary Shares during such year.

(e) Backup Withholding and Information Reporting

US Shareholders generally will be subject to information reporting requirements with respect to dividends on Ordinary Shares and on the proceeds from the sale, exchange or disposition of Ordinary Shares that are paid within the United States or through US-related financial intermediaries, unless the US Shareholder is an ''exempt recipient.'' In addition, US Shareholders may be subject to backup withholding (at a 28 per cent. rate) on such payments, unless the US Shareholder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a US Shareholder's US federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

17. No significant change

There has been no significant change in the financial or trading position of the Group since 30 June 2016, being the date to which the Group's latest unaudited financial statements, incorporated by reference in this document as set out in Part 4 ''Financial Information Relating to Oxford BioMedica plc'' of this document, were drawn up.

18. Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Oxford BioMedica is aware) during at least the 12 month period prior to the publication of this document, which may have, or have had significant effects on the Group's financial position or profitability.

19. General

19.1 Jefferies International Limited (a private limited company) is registered in England and Wales (with company number 01978621) and has its registered office at Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ. Jefferies has given and has not withdrawn its written consent to the issue of this document and the references to its name in this document in the form and context in which they are included.

19.2 WG Partners LLP is registered in England and Wales (with number OC 369354) and has its registered office at Munro House, Portsmouth Road, Cobham, KT11 1PP. WG Partners has given and has not withdrawn its written consent to the issue of this document and the references to its name in this document in the form and context in which they are included.

19.3 Scott Harris UK Limited is registered in England and Wales (with number 05118869) and has its registered office at 71 Queen Victoria Street, London, EC4V 4BE. Scott Harris has given and has not withdrawn its written consent to the issue of this document and the references to its name in this document in the form and context in which they are included.

19.4 Roth Capital Partners, LLC is registered in the State of California with number 200101710054 and has its registered office at 88 San Clemente Drive, Newport Beach, California 92660, United States. Roth Capital has given and has not withdrawn its written consent to the issue of this document and the references to its name in this document in the form and context in which they are included.

19.5 Oxford BioMedica's registrars are Capita Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

19.6 The audited consolidated accounts of the Group accounts for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015, upon which unqualified reports have been given, were audited by PricewaterhouseCoopers LLP, chartered accountants. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

19.7 The total expenses payable by Oxford BioMedica in connection with the Fundraising are expected to amount to approximately £1.5 million.

19.8 The Existing Ordinary Shares are listed on the premium listing segment of the Official List and traded on the market for listed securities of the London Stock Exchange. Applications have been or will be made for the New Ordinary Shares to be so listed and traded.

19.9 The Offer Price represents a discount of 28.6 per cent. to the Closing Price of an Existing Ordinary Share at 12 September 2016.

20. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekdays (Saturdays, Sundays and public holidays excepted) at the Company's registered office, Windrush Court, Transport Way, Oxford OX4 6LT and the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH, until Admission:

20.1 the Articles of Association;

20.2 the audited consolidated accounts of the Group for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015; and

20.3 the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015 and 30 June 2016.

Dated 13 September 2016

As required by the Prospectus Rules Checklist of Documentation Incorporated by Reference

The following documents, which have been approved, filed with or notified to the FCA, and which are available for inspection in accordance with paragraph 20 of Part 6 ''Additional Information'' of this document, contains information about the Company and the Group which is relevant to this document:

Annual Report and Accounts of the Group for the year ended 31 December 2013;

Annual Report and Accounts of the Group for the year ended 31 December 2014;

Annual Report and Accounts of the Group for the year ended 31 December 2015;

Interim Financial Statements of the Group for the six month period ended 30 June 2015; and

Interim Financial Statements of the Group for the six month period ended 30 June 2016.

The table below sets out the sections of these documents which are incorporated by reference, and form part of, this document, and only the parts of the documents identified in the table below are incorporated by reference in, and form part of, this document. The parts of these documents which is not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains Information incorporated by reference information which is incorporated by reference, such information shall not form part of this document.

Information incorporated by reference	Page number in the Report/ Financial Statements	Page number in this document
Annual Report and Accounts of the Group for the year ended 31 December 2013, including:		
Balance sheet	66	90
Income statement	65	90
Changes in equity statements	68	90
Cash flow statements	67	90
Accounting policies and notes	69-93	90
Auditors report	60-64	90
Annual Report and Accounts of the Group for the year ended 31 December 2014, including:		
Balance sheet	82	90
Income statement	81	90
Changes in equity statements	84	90
Cash flow statements	83	90
Accounting policies and notes	85-108	90
Auditors report	76-80	90
Interim Financial Statements for Oxford BioMedica for the six month period ended 30 June 2015 including:		
Balance sheet	10	90
Income statement	9	90
Changes in equity statements	12	90
Cash flow statements	11	90
Accounting policies and notes	13-17	90
Annual Report and Accounts of the Group for the year ended 31 December 2015, including:		
Balance sheet	78	90
Income statement	77	90
Changes in equity statements	80	90
Cash flow statements	79	90
Accounting policies and notes	81-104	90
Auditors report	72-76	90

Information incorporated by reference	Page number in the Report/ Financial Statements	Page number in this document
Interim Financial Statements for Oxford BioMedica for the six month period ended 30 June 2016 including:		
Balance sheet	7	90
Income statement	6	90
Changes in equity statements	13	90
Cash flow statements	12	90
Accounting policies and notes	14-20	90

Definitions

In this document and the Notice of General Meeting and accompanying Form of Proxy, the following expressions have the following meanings, unless the context otherwise requires

"Admission"	the admission of the New Ordinary Shares (i) to the premium listing segment of the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with, respectively, LR.3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards
"Admission and Disclosure Standards"	the requirements contained in the publication "The Admission and Disclosure Standards" dated 1 November 2007 containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
"Articles" or "Articles of Association"	the articles of association of Oxford BioMedica in force as at the date of this document
"AstraZeneca"	AstraZeneca plc, registered in England and Wales, under number 02732534
"Business Day"	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business
"Capita Asset Services"	a trading name of Capita Registrars Limited
"certificated" or "in certificated form"	where a share or other security is not in uncertificated form
"Closing Price"	the closing middle market quotation of an Existing Ordinary Share as derived from the daily official list published by the London Stock Exchange
"Companies Act"	the Companies Act 2006, as amended including any statutory modification or re-enactment thereof for the time being in force
"Company" or "Oxford BioMedica"	Oxford BioMedica plc, registered in England and Wales under number 3252665
"CREST"	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is operator as defined in the CREST Regulations)
"CREST member"	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
"CREST participant"	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
"CREST personal member"	a CREST member who holds their securities in dematerialised electronic form in CREST in their own name
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members)
"DBP"	the Oxford BioMedica 2016 Deferred Bonus Plan described in paragraph 12(c), paragraph 12(d) and paragraph 12(f) of Part 6 of this document
"Directors" or 'Board"	the Directors of Oxford BioMedica whose names appear on page 42 of this document
"Disclosure and Transparency Rules"	the disclosure rules and transparency rules made by the Financial Conduct Authority in exercise of its functions as competent authority pursuant to Part VI of FSMA

"Enlarged Share Capital"	the issued ordinary share capital of the Company following the Fundraising
"Euroclear"	Euroclear UK & Ireland Limited (formerly CrestCo Limited), the operator of CREST
"European Economic Area"	the member states of the European Union, Iceland, Norway and Liechtenstein
"Executive Directors"	John Dawson, Tim Watts and Peter Nolan
"Exchange Act"	the US Securities Exchange Act of 1934, as amended
"Excluded Territories"	the United States, Canada, Japan, Australia and any other jurisdiction where the availability of the Fundraising would breach any applicable law
"Existing Ordinary Shares"	the 2,703,806,022 existing ordinary shares of 1 pence each in nominal value in the capital of the Company as at the date of this document
"FDA"	the US Food and Drug Administration
"Financial Conduct Authority" or "FCA"	the UK Financial Conduct Authority
"Form of Proxy"	the form of proxy accompanying this document for use in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended) and all regulations promulgated thereunder from time to time
"Fundraising"	the Placing and Subscription
"General Meeting"	the general meeting of the Company convened for the purpose of passing the Resolutions, to be held on 29 September 2016, including any adjournment thereof
"GlaxoSmithKline"	Glaxosmithkline plc registered in England and Wales under number 3888792
"Group" or "Oxford BioMedica Group"	Oxford BioMedica and its subsidiaries at the date of this document
"HMRC"	H.M. Revenue & Customs
"IFRS"	International Financial Reporting Standards as adopted by the European Union
"Immune Design"	Immune Design Corp.
"IP"	intellectual property
"Jefferies"	Jefferies International Limited
"Listing Rules"	the listing rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA
"Lock-up Agreements"	the lock-up agreements entered into by the Directors with the Company and Jefferies dated 13 September 2016 more particularly described in paragraph 11 of Part 6 of this document
"London Stock Exchange"	London Stock Exchange plc
"LTIP"	the Oxford BioMedica 2016 Long Term Incentive Plan described in paragraph 12(a), paragraph 12(d) and paragraph 12(f) of Part 6 of this document
"M&G Investment Management"	M&G Investment Management Limited
"MolMed"	MolMed S.p.A
"New Ordinary Shares"	the 383,371,665 Ordinary Shares of 1 pence each in nominal value in the capital of the Company to be issued pursuant to the Fundraising

"Non-executive Directors"	Lorenzo Tallarigo, Andrew Heath, Martin Diggle and Stuart Henderson
"Notice of General Meeting"	the notice of General Meeting set out at the end of this document
"Novartis"	Novartis Pharma AG
"Oberland"	Oberland Capital Healthcare
"Oberland Facility"	the $50 million loan facility agreement with Oberland dated 1 May 2015, more particularly described in paragraph 11 of Part 6 of this document
"Offer Price"	3 pence per New Ordinary Share
"Official List"	the Official List of the FCA
"Option Scheme"	the Oxford BioMedica 2015 Executive Share Option Scheme described in paragraph 12(b), paragraph 12(d) and paragraph 12(f) of Part 6 of this document
"Ordinary Share"	ordinary shares of 1 pence each in the capital of the Company from time to time
"Oxford BioMedica UK"	Oxford BioMedica (UK) Limited: a wholly owned subsidiary of Oxford BioMedica plc
"Overseas Shareholder"	shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
"Panel"	the Panel on Takeovers and Mergers
"PD Regulation"	European Union Prospectus Directive (2003/71/EC)
"Placees"	any person who has agreed to subscribe for Placing Shares
"Placing"	the subscription by the Placees of the Placing Shares on the terms and subject to the conditions contained in the Placing Agreement
"Placing Agreement"	the sponsor and placing agreement dated 13 September 2016 between Jefferies, WG Partners, Scott Harris and the Company relating to the Placing, the principal terms of which are summarised in paragraph 10 of Part 6 of this document
"Placing Letter"	the placing letters in the agreed form issued or to be issued to the Placees in connection with the Placing
"Placing Shares"	the 184,255,000 New Ordinary Shares which the Company is proposing to issue pursuant to the Placing
"Prospectus Rules"	the prospectus rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA
"Receiving Agent"	Capita Asset Services, a trading name of Capita Registrars Limited
"Registrar"	Capita Asset Services, a trading name of Capita Registrars Limited
"Regulation S"	Regulation S under the Securities Act
"Related Party"	a "related party" as defined in Chapter 11 of the Listing Rules, where there is more than one Related Party, the "Related Parties"
"Related Party Resolution"	resolution number 4 in the Notice of General Meeting
"Related Party Transaction"	Vulpes Life Sciences Fund and Vulpes Testudo Fund's proposed participation in the Subscription more particularly described in paragraph 8 of Part 1 of this document
"Relevant Member State"	each member state of the European Economic Area that has implemented the PD Regulation
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Roth Capital"	Roth Capital Partners, LLC, US Placement Agent to the Company
"Sanofi"	Sanofi S.A.

"Scott Harris"	Scott Harris UK Limited, UK Placement Agent to the Company
"SEC"	the United States Securities and Exchange Commission
"Securities Act"	the United States Securities Act of 1933, as amended
"Senior Managers"	Dr. Kyriacos Mitrophanous and Dr. James Miskin
"Shareholder"	a holder of Existing Ordinary Shares
"Sharesave Scheme"	the Oxford BioMedica 2016 Sharesave Scheme described in paragraph 12(e) and paragraph 12(f) of Part 8 of this document
"Share Schemes"	the Option Scheme, the LTIP, the DBP and the Sharesave Scheme
"Subscribers"	investors who have conditionally agreed to subscribe for the Subscription Shares pursuant to a Subscription Agreement
"Subscription"	the subscription by Subscribers for the Subscription Shares on the terms and subject to the conditions contained in the Subscription Agreement
"Subscription Agreement"	the agreement or agreements entered into between the Company and the Subscribers, further details of which are set out in paragraph 11(b) of Part 6 of this document
"Subscription Shares"	the 199,116,665 New Ordinary Shares which the Company is proposing to issue pursuant to the Subscription
"Takeover Code"	the City Code on Takeovers and Mergers issued by the Panel
"UK Listing Authority"	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
"uncertificated" or "in uncertified form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"UK Corporate Governance Code"	the UK Corporate Governance Code dated September 2014 issued by the Financial Reporting Council
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"Vulpes Loan Facility"	the loan facility as defined in paragraph 9.5(c) of Part 6 of this document
"WG Partners"	WG Partners LLP, UK Placement Agent to the Company

Glossary of Scientific Terms

"18F-FMT"	fluoromethyl-L-tyrosine, a PET ligand for measuring AADC activity
"AADC"	aromatic L-amino-acid decarboxylase
"AAV"	adeno-associated viruses
"AMD"	age-related macular degeneration
"anti-angiogenesis" or "anti-angiogenic"	targeted therapy that uses drugs or other substances to stop the development of new blood vessels, usually targeted to pathological or aberrant blood vessel growth''
"CAR-T"	Chimeric Antigen Receptor T-cell
"CBER"	FDA's Centre for Biologics Evaluation and Research
"COMT"	catechol-o-methyltransferase
"CRO"	contract research organisation
"clinical development"	the entire clinical study process encompassing Pre-clinical, Phase I, Phase II and Phase III studies
"diabetic retinopathy"	damage to the retina caused by diabetes
"DNA"	carries genetic information
"dopamine"	a neurotransmitter found within the nervous system
"dyskinesia"	involuntary muscle movement
"EMA"	EU European Medicines Agency
"endostatin"	broad spectrum angiogenesis inhibitor
"*ex vivo*"	latin term to describe biological events that take place outside the bodies of living organisms
"FDA"	US Food and Drug Administration
"GCP"	Good Clinical Practice, an international standard that is provided by ICH, an international body that defines standards, which governments can transpose into regulations for clinical trials involving human subjects
"genome plasmids"	are plasmids, which is a small DNA molecule within a cell that is physically separated from a chromosomal DNA and can replicate independently, that contain the target therapeutic gene DNA sequence of interest
"GMP" or "cGMP"	Good Manufacturing Practice, formal standards of facilities cleanliness, process, quality controls and documentation set out and periodically monitored by the main medicines control agencies to which a company has to conform in order to manufacture a product for human use
"GTP-cyclohydrolase"	is a member of the GTP cyclohydrolase family of enzymes and is part of the folate and biopterin biosynthesis pathway
"immunogenicity"	the ability of a substance to generate an immune response
"IND"	Investigational New Drug
"*in vivo*"	latin term to describe biological events that take place inside the bodies of living organisms
"IRB"	Institutional Review Board, a committee to monitor research involving humans
"L-DOPA"	L-3.4-dihydroxyphenylalanine
"LentiVector®"	proprietary gene delivery technology using a lentivirus-derived vector which has applications in product development and discovery research

"lentiviral vector"	gene delivery vector based on lentiviruses
"MAO"	monoamine oxidase
"MHRA"	The Medicines and Healthcare products Regulatory Agency
"macular degeneration"	a disease of the part of the retina that causes central vision loss
"NHP"	non-human primate
"NIH"	National Institute of Health
"NK cells"	natural killer cells
"ocular products"	products relating to treatment of the eye
"open label"	refers to a type of clinical study in which both the researchers and participants know which treatment is being administered
"Parkinson's Disease"	a progressive degenerative disease affecting the brain leading to a deficiency in the neurotransmitter dopamine
"PET"	positron emission tomography
"Phase I"	first trials of a new candidate therapy in which a small number of healthy volunteers take part
"Phase II study" or "Phase II"	the assessment in patients of a drug to determine dose range and preliminary efficacy
"pre-clinical study"	experiments performed before starting clinical trials to assess a compound's potential efficacy and its potential to cause side-effects
"proof-of-concept"	study designed to show that a compound has its intended clinical effect
"qPCR"	quantitative polymerase chain reaction
"R&D"	research and development
"RAC"	NIH Office of Biotechnology Activities' Recombinant DNA Advisory Committee
"recombinant vectors"	gene delivery vector
"retinitis pigmentosa"	a group of hereditary disorders characterised by progressive peripheral vision loss and night vision difficulties that can lead to central vision loss
"r/r all"	relapsed/refractory acute lymphoblastic leukaemia
"sensorimotor putamen"	part of the striatum in the brain
"Stargardt Disease"	hereditary eye disease that is one of the most frequent causes of macular degeneration during childhood
"stereotactic injection"	minimally invasive three dimensional coordinate system to inject substances into small targets in the brain
"striatum"	part of the basal ganglia system of the brain
"T-cell"	type of white blood cell that is of importance to the immune system
"TCR"	T-cell receptor
"TH" or "tyrosine hydroxylase"	tyrosine hydroxylase
"Usher Syndrome type 1B"	human hereditary disorder characterised by profound congenital deafness, retinitis pigmentosa, and vestibular dysfunction
"VEGF"	vascular endothelial growth factor

NOTICE OF GENERAL MEETING

OXFORD BIOMEDICA plc

(incorporated in England and Wales with registered number 3252665)

Notice is hereby given that a General Meeting of Oxford BioMedica plc (the "Company") will be held at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH at 10.00 a.m. on 29 September 2016 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1, 2 and 4 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

1. THAT, the issue of the Ordinary Shares of 1 pence each pursuant to the Fundraising (as defined and described in the Prospectus to which this notice is attached) at an Offer Price of 3 pence per share which represents a discount of more than 10 per cent. to the closing middle market price (as derived from the Daily Official List of the London Stock Exchange) of an existing Ordinary Share on the day immediately preceding the date of the notice of this meeting (being the time of agreeing the Fundraising) be and is hereby approved.

2. THAT, conditional upon the passing of Resolution 1 above, the Directors (or a duly constituted committee of the Directors) be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act (in addition to all existing authorities conferred on the Directors pursuant to section 551 of the Act which shall continue in full force and effect) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities") up to an aggregate nominal amount of £3,833,716.65 pursuant to the Fundraising (as defined and described in the Prospectus to which this notice is attached). The authority conferred by this resolution shall expire (unless previously revoked or varied by the Company in a general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

3. THAT, conditional upon the passing of Resolutions 1 and 2 above and upon Resolution 2 above becoming unconditional, in addition to all other existing powers of the Directors under sections 570 or 571 of the Act which shall continue in full force and effect, the Directors (or a duly constituted committee of the Directors) be and are empowered pursuant to section 570 of the Act to allot equity securities as defined by section 560 of the Act for cash pursuant to the authority conferred by Resolution 2 above 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 up to an aggregate nominal amount of £3,833,716.65. Such power shall, subject to the continuance of the authority conferred by Resolution 2, expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

4. THAT, conditional upon the passing of Resolutions 1, 2 and 3 above and upon Resolutions 2 and 3 above becoming unconditional, the proposed participation of Vulpes Life Sciences Fund and Vulpes Testudo Fund in the Subscription (as defined and described in the Prospectus to which this notice is attached), being a related party transaction for the purposes of the Listing Rules, be and is hereby approved.

BY ORDER OF THE BOARD

Tim Watts
Company Secretary

Dated 13 September 2016

Registered office
Windrush Court
Transport Way Oxford
OX4 6LT

Notes

(1) Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder which must be identified on the form of proxy. A proxy need not be a shareholder of the company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.

(2) A form of proxy is enclosed for use by members. To be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority) to the Company's registrars Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or submitted electronically via www.capitashareportal.com (see note 3), not later than 48 hours, excluding any day that is not a business day, before the time appointed for holding the General Meeting or, in the case of a poll taken subsequently to the date of the General Meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the General Meeting or adjourned meeting. Shareholders who intend to appoint more than one proxy can obtain additional forms of proxy from Capita Asset Services. Alternatively, the form provided may be photocopied prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.

(3) You may submit your proxy vote electronically via www.capitashareportal.com. From there you can log in to your Capita share portal account or register for the Capita share portal if you have not already done so. To register, select ''Register'' then enter your surname, Investor Code, postcode and an e-mail address. Create a password and click ''Register'' to proceed. You will be able to vote immediately by selecting ''Proxy Voting'' from the menu. You can find your Investor Code on the Form of Proxy enclosed with this document.

(4) An abstention (or ''vote withheld'') option has been included on the form of proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

(5) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a ''Nominated Person'') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. 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 shareholder as to the exercise of voting rights.

(6) The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

(7) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. 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.

In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specification and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar (ID RA10) by 10.00 a.m. on 27 September 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST members concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(8) Completion and return of a form of proxy will not affect the right of such member to attend and vote in person at the meeting or any adjournment thereof.

(9) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at close of business on 27 September 2016 will be entitled to attend or vote (whether in person or proxy) at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on 27 September 2016 will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).

(10) As at 12 September 2016 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 2,703,806,022 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 September 2016 are 2,703,806,022.

(11) Any corporation which is a member can appoint one or more corporate representatives. Each representative may exercise on behalf of the corporation the same powers as the corporation could exercise if it were an individual member of the Company provided that they do not do so in relation to the same Ordinary Shares. It is therefore no longer necessary to nominate a designated corporate representative.

(12) A copy of this notice of meeting, together with any members' statements which have been received by the Company after the despatch of this notice and the other information required by section 311A of the Companies Act 2006 are all available on the Company's website at www.oxfordbiomedica.co.uk under 'investors: shareholder meetings'.

(13) Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the meeting.

(14) Shareholders, proxies and authorised representatives may raise questions at the meeting concerning any business being dealt with at the meeting and will receive answers, except that a question need not be answered where it would interfere unduly with the conduct of the meeting, would involve the disclosure of confidential information, where the answer has already been given on a website in the form of an answer to a question or where it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.