

Oxford BioMedica

New non-dilutive funding to expand production

Company update

Pharma & Biotech

5 May 2015

Oxford BioMedica has secured a \$50m loan facility from Oberland Capital. The funds will be used primarily to expand the manufacturing capacity for Novartis' CTL019/CART-019 clinical development programme, with \$25m to be drawn down immediately. This production contract is important, not only commercially (worth up to \$90m over three years) but in validating the company's expertise. The loan has sufficient headroom to also fund Oxford BioMedica's pipeline development and for product acquisitions.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/13	5.4	(12.4)	(0.76)	0.0	N/A	N/A
12/14	13.6	(10.4)	(0.41)	0.0	N/A	N/A
12/15e	22.8	(4.5)	(0.10)	0.0	N/A	N/A
12/16e	29.9	(4.7)	(0.11)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation, exceptional items and share-based payments.

Oxford BioMedica has secured a \$50m loan facility as non-dilutive funding to progress its manufacturing expansion, as well as proving sufficient capital to progress its development pipeline and acquiring suitable late-stage and/or revenue-generating product opportunities.

The loan, from [Oberland Capital](#), has to be repaid by 1 May 2022 but may be prepaid at any time (an undisclosed fee is payable upon any repayment). Interest is payable quarterly at an annual rate of 9.5% plus the greater of 1% or three-month LIBOR. A further 0.35% of net revenues is payable for eight years starting on 1 April 2017 for each \$5m drawn down over \$30m (this may be closed at any time but an undisclosed exit fee is payable).

The initial \$25m will be drawn down immediately to fund the production expansion required for the Novartis contract, with the remainder available in tranches of a minimum of \$5m prior to 31 December 2016. Any one of the last four tranches can be taken as an equity investment rather than a loan (the terms have not been disclosed). The existing £5.3m [AMSCI](#) loan facility will be terminated and the £3.0m drawn down so far will be repaid.

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Price 11.5p
Market cap £295m

Net cash (£m) at December 2014 14.2
Shares in issue 2,567m
Free float 98%
Code OXB
Primary exchange LSE

Share price performance



Business description

Oxford BioMedica has a leading position in gene-based therapy. The LentiVector technology is wide ranging and underpins much of the development pipeline, notably the ophthalmology projects, and, increasingly important in commercial terms, the manufacturing capabilities are coming to the fore.

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