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This document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the proposed admission to trading of the issued Ordinary Shares of Bioventix plc (the “Company”) on AIM. This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Conduct Authority in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The Company whose registered office appears on page 4 of this document and the Directors, whose names appear on page 4 of this document, accept responsibility individually and collectively, in accordance with the AIM Rules for Companies, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom have taken all reasonable care to ensure 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.

Application has been made for the Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on 29 April 2014.

The whole of this document should be read. An investment in the Company includes a significant degree of risk and the attention of any prospective investors is drawn in particular to the Risk Factors set out in Part II of this document.



(Incorporated and registered in the United Kingdom with registered number 4923945)

Admission to trading on AIM of 5,044,202 Ordinary Shares of 5 pence each

Nominated Adviser & Broker



finnCap, which is authorised and regulated by the Financial Conduct Authority, is acting as the Company's nominated adviser and broker for the purposes of the AIM Rules for Companies in connection with the proposed admission of the Ordinary Shares to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by finnCap as to any of the contents of this document and finnCap has not authorised the contents of any part of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by finnCap for the accuracy of any information or opinions contained in, or for the omission of any material information from this document for which the Company and the Directors are solely responsible. finnCap will not be offering advice, and is not acting for, and will not otherwise be responsible for providing customer protections to, recipients of this document in respect of the proposals described in this document.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, nor has any prospectus in relation to the Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or within United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

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Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office and at the offices of finnCap at 60 New Broad Street, London EC2M 1JJ from the date of this document and for a period of at least one month from Admission.

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ADMISSION STATISTICS

Number of Ordinary Shares in issue at the date of this document	5,044,202
Expected market capitalisation of the Company on Admission	£27.7m*
TIDM	BVXP
ISIN Number	GB00B4QVDF07

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document	24 April 2014
Admission and commencement of dealings on AIM	8.00 a.m. on 29 April 2014

* based on the closing mid price per Ordinary Share on 23 April 2014, being the last practicable date prior to the publication of this document.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Ian James Nicholson, <i>Non-Executive Chairman</i> Peter John Harrison, <i>Chief Executive Officer</i> Treena Joan Turner, <i>Non-Executive Finance Director</i> Nicholas John McCooke, <i>Non-Executive Director</i> all of: Bioventix plc, 7 Romans Business Park, East Street, Farnham, Surrey, GU9 7SX
Company Secretary:	Cargil Management Services Limited
Registered Office:	Bioventix plc 27-28 Eastcastle Street London W1W 8DH
Nominated Adviser & Broker:	finnCap Limited 60 New Broad Street London EC2M 1JJ
Solicitors to the Company:	Charles Russell LLP Buryfields House Bury Fields Guildford GU2 4AZ
Reporting Accountant & Auditor:	James Cowper LLP 3 Wesley Gate Queen's Road Reading RG1 4AP
Registrars:	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham GU9 7LL
Website:	www.bioventix.com

DEFINITIONS

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

“Act”	the Companies Act 2006
“Admission”	the admission of the Ordinary Shares, issued and to be issued in the future, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules for Companies” or “AIM Rules”	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
“Articles”	the Articles of Association of the Company, further details of which are set out in paragraph 4 of Part V of this document
“City Code”	the City Code on Takeovers and Mergers
“Company” or “Bioventix”	Bioventix plc (company number 4923945)
“CREST”	the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by Euroclear United Kingdom & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document
“DTR”	the Disclosure and Transparency Rules published by the FCA from time to time
“FCA”	the Financial Conduct Authority
“finnCap”	finnCap Limited, nominated adviser and broker to the Company
“FSMA”	the Financial Services and Markets Act 2000, as amended
“ISDX”	ICAP Securities & Derivatives Exchange Limited, a recognised investment exchange under section 290 of FSMA
“ISDX Growth Market”	the primary market for unlisted securities operated by ISDX
“Issued Shares”	the 5,044,202 Ordinary Shares in issue as at the date of this document
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of £0.05 each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Scheme”	the Bioventix PLC EMI Share Option Scheme
“Shareholder”	a holder of Ordinary Shares
“SpringHill”	SpringHill Bioventures Sendirian Berhad, a company incorporated in Malaysia
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council as in force from time to time
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VAT”	UK value added tax

GLOSSARY OF TECHNICAL TERMS

“analyte”	a molecule that is contained within a blood sample that might be worthy of analysis and quantitation by a doctor (e.g. a hormone)
“antibody”	a natural protein derived from an animal or an animal cell that binds (i.e. attaches) to another molecule such as a hormone or drug
“antigen”	any form of substance against which an antibody can be made. One individual antibody will recognise only one antigen
“assay”	a diagnostic test performed in order to measure something; e.g. a human hormone in blood
“cell line”	a cell or pool of cells that are genetically identical. In the case of a MAb-secreting cell line, the cells will all make the same identical antibody
“immunoassay”	an assay that uses antibodies
“MAb”	a monoclonal antibody
“monoclonal”	an antibody with a single unique binding property – as compared to a polyclonal antibody mixture that might be derived from a serum
“polyclonal”	a mixture or cocktail of different antibodies that can be derived from blood or serum from an immunised animal
“serum”	a fraction of blood after it has been allowed to clot and the clot removed. It is this fraction that contains antibodies
“SMA”	a sheep monoclonal antibody (i.e. a monoclonal antibody derived from sheep)

PART I

INFORMATION ON THE COMPANY

1. INTRODUCTION

Bioventix was incorporated in 2003 and is a business engaged in the creation and engineering of antibodies. The operations of the Company were originally established at KS Biomedix Limited and were acquired in 2003 by the management, led by Peter Harrison.

The Company grew following the management buy-out and, on 7 April 2010, the Company was admitted to trading on PLUS Market (now the ISDX Growth Market). The Board has now decided to move to AIM as a more appropriate trading platform for Bioventix.

Accordingly, the Company is now seeking Admission for all of its Issued Shares to AIM, and it is expected that Admission will become effective on at 8.00 a.m. on 29 April 2014.

2. THE COMPANY

Bioventix creates and supplies monoclonal antibodies to companies that manufacture blood testing machines.

Antibodies are natural molecules that are made in the body by specialised white blood cells. Their natural function is to bind to foreign entities that enter the body such as viruses, yeast and bacteria. Each antibody is specific to its individual target or “antigen”.

In human healthcare, the process of antibody production is stimulated by immunisation. Vaccines that contain the antigen of interest are made safe and then injected into the body in order to stimulate an immune response which includes the formation of new antibodies against the immunised antigens.

The same process of immunisation can be used in animals in order to make antibodies which are extracted from blood. This process results in serum which contains a mixture of antibodies known as a polyclonal antibody.

Antibodies can also be created by extraction of the white blood cells from the immunised animals to make monoclonal antibodies. The technology to create mouse monoclonal antibodies was invented in 1975 in Cambridge by Kohler & Millstein and is freely available to companies interested in antibodies.

Bioventix’s technology relies on the creation of monoclonal antibodies using sheep rather than mice, to make sheep monoclonal antibodies. The potential advantage of using monoclonal technology but with a species other than mice to create monoclonal antibodies with superior properties was discussed in the scientific literature during the 1980s. Academic groups around the world did attempt to create sheep monoclonal technologies.

One such academic group was based at the University of Surrey in Guildford. The work of the Guildford group was continued at the laboratory in Farnham where the Company is based (initially under the umbrella of KS Biomedix Limited and thereafter Bioventix) such that a commercial technology was eventually established.

The unique properties of monoclonal antibodies are very attractive because they have two main uses in the biotechnology field:

- antibody-based therapeutic drugs (e.g. herceptin)
- antibody-based diagnostic tests.

It is the diagnostic testing field that is the current principal use for Bioventix’s monoclonal antibodies.

Patient blood samples required for clinical analysis at hospital laboratories and clinics are routinely taken and then sent to analytical laboratories where blood testing equipment exists for this purpose. The companies that produce blood testing equipment include Siemens Healthcare Diagnostics, Roche Diagnostics, Abbott Laboratories, Ortho-Clinical Diagnostics and Beckman Coulter. The range of tests available to clinicians on these machines is broad and includes: heart disease (e.g. troponin), fertility (e.g. estrogens and testosterone), thyroid function (e.g. thyroxine), cancer (e.g. prostate specific antigen) and infectious disease (e.g. HIV).

Many of the blood tests use monoclonal antibodies – these are referred to as “immunoassays”. For example, an important marker of cardiac (i.e. heart) status is the troponin analyte. The muscles

of the heart that are responsible for the action of pumping are contained within the ventricles. All muscles fibres contain the protein elements actin, myosin and troponin. When muscles become damaged or distressed, inflammation results in the leakage of muscle proteins, such as troponin, into the blood. It is the measurement of these leaked heart troponins that is used as a measure of cardiac health.

Heart muscle is different to “normal” skeletal muscle in terms of structure and biochemistry. The heart troponin is different to skeletal troponin and so its appearance in blood is a specific measure of cardiac muscle damage.

Antibodies directed against two different elements of the troponin molecule form a “sandwich” if troponin is present. One antibody might be linked to a magnetic particle and the other to a signalling agent such as an enzyme or a fluorescent chemical or other light emitting agent. After separation by the use of magnets, the presence of the troponin is measured by use of the signalling agent. The greater the level of troponin, the greater the signal.

3. SUMMARY FINANCIALS

The following summary financial information relating to Bioventix has been extracted, without material adjustment, from the historical financial information presented in Part IV of this document.

	Year ended 30 June 2011 £m	Year ended 30 June 2012 £m	Year ended 30 June 2013 £m
Revenue	2.0	2.4	2.7
Profit after tax	0.9	1.2	1.5
Earnings per share	17.59p	24.62p	30.28p
Cash at bank and in hand	1.5	2.2	2.6
Net Assets	2.7	3.3	4.2

4. PRODUCTS

Blood testing machines use antibodies for an element of the immunoassays that feature on the tests available on the relevant machine.

Providers of blood testing machines might consider using a Bioventix antibody rather than one of their own or an alternative antibody if the immunoassay has superior properties when the Bioventix antibody is used in place of other antibodies. Such superiority might be manifest in the form of assay sensitivity (i.e. being able to measure a hormone at a lower concentration with greater precision) or assay specificity (i.e. being able specifically to measure a particular hormone and not be affected by another similar or related hormone). Such superiority might be desirable to healthcare professionals and therefore be commercially attractive for Bioventix’s customers.

Bioventix has a portfolio of antibodies that it has supplied to its customers for non-exclusive commercial use and R&D purposes. These antibodies include:

- BVX.T3.17C6 (for use in FT3 testing; a thyroid hormone)
- BVX.E2.5A11 (for use in estradiol testing; an important estrogen for fertility testing)
- BVX.testo3.6A3 (for use in testing for testosterone levels; also for fertility)
- BVX.THC.5B7 (for use in cannabis/marijuana saliva testing)
- BVX.vitD3.5H10 (for use in testing for vitamin D deficiency)
- BVX.prog.3H3 (for use in testing for progesterone, an important steroid in female biology)

Bioventix also has a portfolio of products that emanate from its contract R&D activities that are supplied exclusively to partner companies. One significant product in this category is an antibody to troponin which is in the development phase at Bioventix’s partner company. This particular troponin antibody uses a patented manufacturing technology that is licensed in from a third party.

Antibodies are manufactured at Bioventix’s premises by the fermentation of the cell lines that secrete the antibodies of interest and subsequent purification of the antibodies.

5. THE MARKET

The global market for in-vitro diagnostics is estimated to be at least €20 billion. The market for immunoassays represents a material proportion of this and the market for antibodies that feature in these immunoassays represents an element of this market value.

The Directors believe that Bioventix is currently the only company producing sheep monoclonal antibodies together with its sub-licencees. However, there are other companies which produce other kinds of antibodies and which could compete with Bioventix. Other antibody suppliers include Hytest, Abcam, Serotec/AbD, Invitrogen, Sigma, R&D Systems, Jackson Immunoresearch and Fitzgerald. Companies that manufacture blood testing machines also often have their own in-house antibody manufacturing capabilities.

6. REVENUE MODEL

The typical product development process that leads to a Bioventix antibody being used in the blood testing machine of one of its customers is as follows:

- (a) Bioventix creates an antibody against a target; e.g. a hormone;
- (b) small samples of such new antibodies are sent to customers for evaluation;
- (c) if the Bioventix antibody proves superior to alternatives, a new assay product development phase could commence at the customer using the Bioventix antibody. This typically includes test-kit manufacturing trials at the customer and experimental blood testing field trials at co-operating hospitals followed by regulatory submissions and eventually a new product launch; and
- (d) commercial sales of the new assay product (i.e. that contains the Bioventix antibody) to hospitals. Bioventix derives revenue from the following sources:
 - Sponsored antibody creation: i.e. the activity in paragraph (a) above might be sponsored by a customer such that the customer has exclusive access to the antibodies created under the contract. Other antibody creation activities are carried out at “own-risk” so there is no sponsorship but the possibility that the future antibodies might be sold and/or licensed with one or more customers on a non-exclusive basis.
 - Sales of purified antibodies: at the product development stages referred to in paragraphs (c) and (d) above, customers require and purchase antibody for use on their blood testing machines.
 - Product royalties: when a customer launches a new product based on a Bioventix-created antibody (as at paragraph (d) above), royalties on sales of the diagnostic product are payable under a cell line licence (i.e. the cell line that makes the antibody of interest).
 - Combination of sales of purified antibodies and product royalties: the customer might purchase antibody and also manufacture the antibody under licence and pay a royalty on their sales to end-users.

7. MARKETING AND SALES STRATEGY

The Company’s strategy has been and remains that it attempts to identify new or existing commercial assays for which there is or may be a need for improved antibodies; that is, improved with respect to the antibodies that are available to assay machine providers such as Siemens, Roche, Abbott, Beckman Coulter and Ortho.

The Directors anticipate that new assays will continue to be required or that the performance requirements of existing assays will be increased such that opportunities for new SMAs will continue to emerge for the Company.

8. DIRECTORS

Ian Nicholson, BSc, MBA, aged 53, Non-Executive Chairman

Ian Nicholson was appointed as Non-Executive Director of Bioventix in November 2004 and became Non-Executive Chairman in 2007. Ian is also currently Chief Executive Officer of F2G Ltd, a UK-based antifungal drug discovery and development company, a Non-Executive Director of Consort Medical plc, a medical devices company and Clinigen Group plc, a specialty pharmaceuticals and services business and also an Operating Partner at Advent Life Sciences

LLP. From 2004 to 2012 Ian was Chief Executive of Chroma Therapeutics Limited, a drug discovery and development company and from 2000 to 2004 Ian was Senior Vice President, Business Development at Celltech Group, the biotechnology business based in Slough. He has extensive experience in licensing, mergers and acquisitions, and market development in the UK, Europe and the US.

Peter Harrison, MA, aged 55, Chief Executive Officer

Peter Harrison has worked in the field of antibody technology since 1986 and has extensive experience of the development and commercialisation of antibody technologies. He graduated in Natural Sciences from Clare College Cambridge in 1980 and joined the graduate training scheme at Shell Chemicals UK Ltd. In 1986 he joined Celltech to manage the contract antibody production and in 1991 he joined KS Biomedix Ltd and helped to establish Sheep Monoclonal Antibody technology at their Farnham research laboratory. Following the acquisition of KS Biomedix Limited by Xenova plc in 2003, he led a management buy-out that resulted in the formation of Bioventix and he has led the subsequent commercial development of the Company.

Treena Turner, ACA, aged 40, Non-Executive Finance Director

Treena Turner is a qualified Chartered Accountant, and is a partner in a seven partner firm, Wise & Co, based in Farnham. She has a wide range of experience of dealing with clients of all sizes and from varied business sectors. Covering a range of financial activities including accounts preparation and auditor liaison, Treena has worked closely with Bioventix since its incorporation in 2003 following the management buyout from KS Biomedix Limited.

Nicholas McCooke, aged 60, Non-Executive Director

Nicholas McCooke has worked in the biotech industry for over 25 years and is an independent consultant providing operational, strategic and commercial advice and hands-on support to biotech companies. He was the first Chief Executive Officer of Solexa, a Cambridge University spin-out, where he built the team that invented and developed Next Generation DNA Sequencing. More recently, he was CEO of the Belgian company Pronota, which is translating novel protein biomarkers into diagnostics. He has an MBA from the London Business School (awarded as an MSc).

9. PREMISES

The Company operates from a freehold site in Farnham, Surrey where the management, manufacturing and R&D functions are all located.

10. DIVIDEND POLICY

In addition to investment in pipeline and technology development, it is the Directors' intention to continue with a dividend policy which reflects both the Company's distributable reserves and cash position whilst maintaining an appropriate level of dividend cover.

11. SHARE OPTIONS

The Company established an enterprise management incentive share option scheme (the Bioventix PLC EMI Share Option Scheme) on 12 June 2013. Further details of the Scheme are set out in paragraph 16 of Part V of this document.

12. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors recognise the importance of sound corporate governance and the guidelines set out in the UK Corporate Governance Code. Whilst companies admitted to trading on AIM are not obliged to comply with the UK Corporate Governance Code, the Directors do intend to comply with the UK Corporate Governance Code so far as is appropriate having regard to the size and nature of the Company. The Board will take such measures so far as practicable to comply with the UK Corporate Governance Code.

The Company has three non-executive Directors. The Board retains full and effective control over the Company. The Company intends to hold regular quarterly Board meetings at which financial and other reports are considered and, where appropriate, voted on. Apart from regular meetings, additional meetings will be arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resource and environmental

management. The Board is also responsible for monitoring the activities of the executive management.

The Board has an audit committee and a remuneration committee with formally delegated duties and responsibilities, each of which has been in place since the Company was admitted to the ISDX Growth Market formerly PLUS Markets. The terms of reference of these committees have been revised as necessary or appropriate to reflect the AIM Rules. The Directors have also established a nomination committee in line with the guidelines in the UK Corporate Governance Code.

The audit committee, which currently comprises Treena Turner and Nick McCooke, with Treena Turner acting as Chairman, determines and examines any matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. In addition, it considers the financial performance, position and prospects of the Company and ensures they are properly monitored and reported on. The audit committee can request attendance at committee meetings by, amongst others, the Chief Executive Officer.

The remuneration committee, which currently comprises Ian Nicholson and Nick McCooke, with Nick McCooke as Chairman, reviews the performance of the executive Directors and sets their remuneration, determines the payment of bonuses to the executive Directors and considers the Company's bonus and option schemes. The remuneration committee can request attendance at committee meetings by, amongst others, the Chief Executive Officer.

The nomination committee, which will initially comprise Ian Nicholson and Nick McCooke, with Nick McCooke as Chairman, will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes; will give full consideration to succession planning for directors and other senior executives in the course of its work; will be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; and will, before an appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board. The nomination committee will also keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place.

On its admission to PLUS Markets (now the ISDX Growth Market), the Company adopted (and continues to operate) a code of dealing for the Directors and relevant employees. That code of dealing has been revised as necessary or appropriate to reflect the AIM Rules.

13. REASONS FOR ADMISSION

The Directors believe that the Company has reached an appropriate point in its development to seek Admission to AIM, which will assist in further raising the public profile of the Company, and provide a more appropriate platform for Bioventix.

14. CREST

Application will be made for the Ordinary Shares to be admitted to AIM. Admission is expected to take place, and dealings in the Ordinary Share Capital to commence, at 8.00 a.m. on 29 April 2014.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. The Ordinary Shares are currently admitted to CREST and will continue to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

15. TAXATION

Your attention is drawn to paragraph 14 of Part V of this Document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position, or should he or she be subject to taxation in a jurisdiction outside the UK, he or she should consult his or her own independent financial adviser immediately.

16. FORWARD-LOOKING STATEMENTS

This admission document contains forward-looking statements which reflect the current view of the Company or, as appropriate, of the Directors with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Company's products and services).

These forward-looking statements relate to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", the negative of these words, or similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included in this admission document address matters that involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results of operations, performance, achievements or financial condition to differ materially from those indicated in these statements. These factors include but are not limited to those described in Part II of this admission document on Risk Factors, which should be read in conjunction with the other cautionary statements that are included in this admission document. Although the Company and the Directors have attempted to identify all factors that may influence the accuracy of any forward-looking statement, there remain factors which are impossible to foresee and which may cause results or events to differ materially from those predicted. Any forward-looking statements in this admission document reflect the Company's and Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

17. FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III, IV and V of this document which contain further additional information relating to the Company.

PART II

RISK FACTORS

Investing in Ordinary Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this document, including the following risk factors, before investing in the Ordinary Shares. Additional risks and uncertainties not presently known to the Company and the Directors or that the Company and the Directors currently consider to be immaterial may also adversely affect the Group's business, operations and financial condition. If any events or circumstances giving rise to any of the following risks, together with possible additional risks and uncertainties of which the Company and the Directors are currently unaware or which the Company and the Directors consider not to be material in relation to the Group's business, actually occur, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such circumstances, the value of the Ordinary Shares could decline due to any of these risks occurring and investors could lose part or all of their investment.

There can be no certainty that the Company will be able to implement successfully any strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Company will achieve its objectives.

Investment in AIM securities

Although the Company is applying for the admission of its share capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List of the UK Listing Authority. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Company's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Dependence on key employees

The Company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the Company's business. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre, could have a significant adverse effect of the business of the Company.

Technology

For SMAs that are in the research and development phase at Bioventix's customers, there is a risk of technical failure. This can occur as assays fail to perform with the desired precision.

For projects at the early phase of Bioventix's pipeline and others that may feature in the medium to long term, there is a risk that new antibody technologies available to third party companies eclipse Bioventix's SMA technology and these new technologies produce superior antibodies. An example of such technologies includes monoclonal antibodies from rabbits.

The Company may come to face competition from other businesses that possess skills and technologies that are not known or available at present. Such competition could prevent the Company from achieving sales. Further, competitors may develop products or technologies that make Bioventix's technology obsolete.

The Company may also face claims that its use of its technology infringes the intellectual property rights of others and may become involved in legal proceedings in connection with such claims. If such a claim was made, the Company could incur significant costs and may be unable to use the relevant technology for a period of time, or at all. The Company may also generally face legal proceedings in the course of its business. The Company cannot preclude the possibility that litigation may be brought against it from time to time. Any such claims, legal proceedings and litigation may have a material adverse effect on the financial performance and/or the business of the Company. The Company's insurance may not cover all or any part of any claims which customers or third parties may bring against the Company or may not be sufficient to protect the Company against any liability that may be imposed on it.

As announced on 1 April 2014, the Company is aware that DiaSource ImmunoAssays S.A has been granted a European patent in the field of anti vitamin D antibodies and their use in assays (i.e. tests) for vitamin D sufficiency and deficiency.

After having taken legal and patent advice from the Company's advisers, the Company is taking action to vigorously oppose this particular patent granted to DiaSource ImmunoAssays S.A.

Regulatory Environment

The medical diagnostics field in which the Company operates is highly regulated. Whilst the Company's antibodies are not themselves regulated, the tests in which they are used by the Company's customers must be approved by regulatory bodies such as the US Food and Drug Administration before they can be commercialised. Achieving and maintaining such approval by Bioventix's customers is therefore necessary to the continued success of the Company.

Distribution Risk

Bioventix's antibodies are derived from sheep and therefore might be regarded as a sheep-derived product. Any future restriction on the distribution, import/export and use of sheep products or sheep-derived products that might be imposed by government or other authorities for whatever reason could materially affect Bioventix's business.

Market risk

There have been some mergers and acquisitions affecting blood testing machine companies. Such activity can result in the rationalisation of individual machines. Machines that feature Bioventix antibodies could therefore be replaced by machines that do not.

Even in the absence of such mergers and acquisitions, machines can be developed within a company such that assays featuring Bioventix antibodies are withdrawn or replaced.

Competition

Whilst the Company does not operate under granted patents, the Directors believe that the Company has a significant set of know-how and skills that are unique. The Company may face competition from companies in business at present or not yet established that are or will be better funded, staffed or equipped than the Company. There is also a risk that the Company's principal target customers (blood testing machine manufacturers) may choose to use alternative antibodies. Competition from any source would adversely affect the Company's ability to generate income.

Exchange Rate Fluctuations

The majority of the Company's revenues are denominated in either US Dollars or Euros whilst the majority of its operating costs are in Sterling. The Company is therefore exposed to foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Company's operating results.

Taxation

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this admission document concerning the taxation of the

Company and investors in the Company are based upon tax law and practice at the date of this admission document, which is subject to change.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent to which it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will, or will be able to, pay dividends in the future.

The risks listed above do not necessarily comprise all those faced by the Company and are not intended to be presented in any order of priority.

PART III

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

Bioventix plc (BVXP) (“Bioventix” or “the Company”), a UK company specialising in the development and commercial supply of high-affinity monoclonal antibodies for applications in clinical diagnostics, announces its unaudited interim financial results for the six-month period ending 31 December 2013.

HIGHLIGHTS

- Turnover: £1.51m (H2 2012: £1.18m)
- Profit before tax: £975,305 (H2 2012: £736,646)
- Profit after tax: £805,649 (H2 2012:£630,160)
- Cash at 31 Dec: £2.88m (2012: £2.31m)
- Interim dividend per share: 9.6p (March 2013: 5.8p)

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to report the results for the half-year ended 31 December 2013. Revenues for the half-year period of £1.51m (H2 2012:£1.18m) were significantly up on the equivalent period last year. Sales of physical antibody increased as did receipts from product royalties which now account for the majority of the total revenues.

Profit after tax at £805,649 (2012:£630,160) and cash balances at 31 December 2013 of £2.88m (2012: £2.31m) were both higher than the previous year.

We have reported previously on our positive outlook for our vitamin D activities and a leading antibody called vitD3.5H10. Revenue from this product has continued to grow from antibody sales and from royalties as customer products (assays for vitamin D deficiency) reach markets around the world. Customer product launches have now taken place in the valuable US market and this has been a significant contributing factor. Related to our vitamin D interests, we recently announced that we will be opposing certain patent property in the vitamin D antibody field.

In addition to antibody manufacturing activities, the Company expends considerable resource directed towards developing new antibodies for commercialisation and has continued its R&D activities to enhance the future pipeline. As we have mentioned before, the continued achievements of the Company would not be possible without the on-going contribution from our scientists and support staff and we would like to thank them for their efforts which underpin our success.

Over the previous years, the Board has followed a cautious dividend policy that embraces continuity in the absence of special dividends. It is the intention of the board to continue with this policy into the future, albeit from a higher base level. The increased interim dividend of 9.6p per Ordinary share (2012: 4.84p) is a reflection of a step up to this new higher base level. The shares will be marked ex-dividend on 7 May 2014 and the dividend will be paid on 27 May 2014 to shareholders on the register at close of business on 9 May 2014.

During 2012 and 2013, we have been delighted to welcome new shareholders such as Miton Group and Henderson Global Investors. We have taken the opportunity to review with them and other shareholders their views on various aspects of the Company. Taking into account the interests of all shareholders, the board has pursued the admission of Bioventix shares to the AIM. In recognition of this impending change, we would like to thank ISDX for the contribution that their trading platform has made to the development of the Company and in preparing Bioventix for admission to AIM.

P J Harrison
Chief Executive Officer

I J Nicholson
Non-Executive Chairman

BIOVENTIX PLC

PROFIT AND LOSS ACCOUNT

for the six month period ended 31 December 2013

	Six months ended 31 Dec 2013 £	Six months ended 31 Dec 2012 £
TURNOVER	1,507,329	1,181,353
Cost of sales	(167,512)	(88,357)
GROSS PROFIT	1,339,817	1,092,966
Administrative expenses	(383,880)	(363,140)
OPERATING PROFIT	955,937	729,856
Interest receivable	19,368	6,887
Interest payable	(0)	(97)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	975,305	736,646
Tax on profit on ordinary activities	(169,656)	(106,486)
PROFIT FOR THE FINANCIAL PERIOD	805,649	630,160
Earnings per share for the period:		
Basic (same as diluted)	16.03p	12.54p

BIOVENTIX PLC

BALANCE SHEET as at 31 December 2013

	31 Dec 2013 £	31 Dec 2012 £
FIXED ASSETS		
Intangible fixed assets	0	20,000
Tangible fixed assets	428,550	442,618
	<u>428,550</u>	<u>462,618</u>
CURRENT ASSETS		
Stocks	156,782	111,797
Debtors	1,383,692	913,893
Cash at bank and in hand	2,878,618	2,312,261
	<u>4,419,092</u>	<u>3,337,951</u>
CREDITORS: amounts falling due within one year	(268,894)	(187,918)
	<u>4,150,198</u>	<u>3,153,033</u>
NET CURRENT ASSETS		
	<u>4,578,748</u>	<u>3,612,651</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<u>4,578,748</u>	<u>3,612,651</u>
PROVISIONS FOR LIABILITIES		
Deferred Tax	(5,481)	(7,651)
NET ASSETS	<u>4,573,267</u>	<u>3,605,000</u>
CAPITAL AND RESERVES		
Called up share capital	251,269	251,269
Capital redemption reserve	1,231	1,231
Profit and loss account	4,320,767	3,352,500
	<u>4,573,267</u>	<u>3,605,000</u>
SHAREHOLDERS' FUNDS	<u><u>4,573,267</u></u>	<u><u>3,605,000</u></u>

BIOVENTIX PLC

CASH FLOW STATEMENT

for the six month period ended 31 December 2013

	31 Dec 2013	31 Dec 2012
	£	£
NET CASHFLOW FROM OPERATING ACTIVITIES		
Operating profit	955,937	729,856
Amortisation of intangible assets	10,000	10,000
Depreciation of tangible fixed assets	10,217	11,618
Increase in stocks	(8,252)	(26,110)
Increase in debtors	(54,330)	(97,711)
Increase/(decrease) in debtors	(44,053)	44,539
	869,519	632,192
Net cash inflow from operating activities	869,519	632,192
Net cash inflow from operating activities	869,519	632,192
Returns on investments & servicing of finance	19,368	6,790
Taxation	(158,567)	(129,000)
Capital expenditure & financial investment	—	(12,015)
Equity dividends paid	(437,208)	(364,843)
	293,112	133,124
	2,585,506	2,179,137
Net funds at 1 July 2013	2,585,506	2,179,137
Net funds at 31 December 2013	2,878,618	2,312,261

BIOVENTIX PLC

Notes to the financial information

1. While the interim financial information has been prepared using the company's accounting policies and in accordance with UK GAAP, the announcement does not itself contain sufficient information to comply with UK GAAP.
2. This interim financial statement has not been audited or reviewed by the auditors.
3. The accounting policies which were used in the preparation of this interim financial information were as follows:

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

3.2 Turnover

- Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.
- Direct sales are recognised at the date of dispatch, and royalties are accrued over the period to which they relate.
- Subcontracted R & D income is recognised based upon the stage of completion at the year end.
- Annual licence revenue is recognised, in full, based upon the date of the invoice.

3.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	— Over 10 years
Know how	— Over 10 years

3.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	— 2% straight line
Plant and equipment	— 25% reducing balance
Motor Vehicles	— 25% straight line
Equipment	— 25% straight line

3.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

3.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

3.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

3.8 Research and development

Research and development expenditure is written off in the year in which it is incurred.

3.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

PART IV

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON BIOVENTIX PLC

Section A – Accountant's report



Accountants & Business Advisers

James Cowper LLP

3 Wesley Gate
Queen's Road
Reading
Berks
RG1 4AP

The Directors
Bioventix plc
27-28 Eastcastle Street
London
W1W 8DH

finnCap Limited
60 New Broad Street
London
EC2M 1JJ

24 April 2014

Dear Sirs

Bioventix plc (“the Company”)

Introduction

We report on the financial information of Bioventix plc set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 24 April 2014 of the Company (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with the basis of preparation set out in note 1.1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the

financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the company as at 30 June 2011, 30 June 2012 and 30 June 2013 and of its results and cash flows for the years ended 30 June 2011, 30 June 2012 and 30 June 2013 in accordance with the basis of preparation set out in note 1.1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

James Cowper LLP

Chartered Accountants

James Cowper LLP is a limited liability partnership registered in England and Wales (with registered number OC342634)

PART IV

SECTION B

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

PROFIT AND LOSS ACCOUNTS FOR THE THREE YEARS ENDED 30 JUNE 2013

	Note	2011 £	2012 £	2013 £
TURNOVER	2	1,973,542	2,383,971	2,706,436
Cost of sales		(236,315)	(203,579)	(188,328)
GROSS PROFIT		1,737,227	2,180,392	2,518,108
Administrative expenses		(657,629)	(685,541)	(708,697)
OPERATING PROFIT	3	1,079,598	1,494,851	1,809,411
Interest receivable and similar income	6	4,022	11,536	12,043
Interest payable and similar charges	7	—	(120)	(97)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,083,620	1,506,267	1,821,357
Tax on profit on ordinary activities	8	(199,161)	(269,069)	(299,903)
PROFIT FOR THE FINANCIAL YEAR		884,459	1,237,198	1,521,454
EARNINGS PER SHARE (PENCE)				
Basic and fully diluted		17.59	24.62	30.28

All amounts relate to continuing operations.

There were no recognised gains and losses other than those included in the profit and loss accounts.

BALANCE SHEETS

		As at 30 30 June 2011 £	As at 30 30 June 2012 £	As at 30 30 June 2013 £
FIXED ASSETS				
Intangible assets	9	50,000	30,000	10,000
Tangible assets	10	448,871	442,223	438,766
		<u>498,871</u>	<u>472,223</u>	<u>448,766</u>
CURRENT ASSETS				
Stocks	11	70,743	85,687	148,530
Debtors	12	766,755	816,182	1,329,362
Cash at bank and in hand		1,531,644	2,179,138	2,585,506
		<u>2,369,142</u>	<u>3,081,007</u>	<u>4,063,398</u>
CREDITORS: amounts falling due within one year	13	(184,384)	(206,828)	(299,737)
		<u>2,184,758</u>	<u>2,874,179</u>	<u>3,763,661</u>
NET CURRENT ASSETS				
		<u>2,683,629</u>	<u>3,346,402</u>	<u>4,212,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>2,683,629</u>	<u>3,346,402</u>	<u>4,212,427</u>
PROVISIONS FOR LIABILITIES				
Deferred Tax	14	(6,237)	(6,716)	(7,602)
		<u>2,677,392</u>	<u>3,339,686</u>	<u>4,204,825</u>
NET ASSETS				
		<u>2,677,392</u>	<u>3,339,686</u>	<u>4,204,825</u>
CAPITAL AND RESERVES				
Called up share capital	15	251,269	251,269	251,269
Capital redemption reserve	16	1,231	1,231	1,231
Profit and loss account	16	2,424,892	3,087,186	3,952,325
		<u>2,677,392</u>	<u>3,339,686</u>	<u>4,204,825</u>
SHAREHOLDERS' FUNDS	17	<u>2,677,392</u>	<u>3,339,686</u>	<u>4,204,825</u>

CASH FLOW STATEMENTS

	Note	2011 £	2012 £	2013 £
Net cash flow from operating activities	21	966,093	1,469,254	1,341,108
Returns on investments & servicing of finance				
Interest received		4,022	11,536	12,043
Interest paid		—	(120)	(97)
Corporation tax		(203,976)	(241,572)	(269,040)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(10,738)	(16,700)	(21,331)
Equity dividends paid		(524,117)	(574,904)	(656,315)
Net cash inflow before financing		<u>231,284</u>	<u>647,494</u>	<u>406,368</u>
Financing				
Repurchase of shares		(48,725)	—	—
INCREASE IN CASH IN THE YEAR	22	<u><u>182,559</u></u>	<u><u>647,494</u></u>	<u><u>406,368</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 ACCOUNTING POLICIES

1.1 Accounting convention/basis of preparation

This historical financial information has been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Direct sales are recognised at the date of dispatch, and royalties are accrued over the period to which they relate.

Subcontracted R&D income is recognised based upon the stage of completion at the year end.

Annual licence revenue is recognised, in full, based upon the date of the invoice.

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided on a straight line basis at the following rates:

Goodwill	— Over 10 years
Knowhow	— Over 10 years

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	— 2% straight line
Plant and equipment	— 25% reducing balance
Motor Vehicles	— 25% straight line
Equipment	— 25% straight line

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2 TURNOVER

All turnover arises from the development, license and sale of antibodies. The geographical split of turnover is as follows:

	2011	2012	2013
	£	£	£
United Kingdom	55,914	80,320	95,895
Other EU	926,883	1,235,105	1,309,774
USA	917,077	964,851	1,020,956
Rest of the World	73,668	103,695	279,811
	<u>1,973,542</u>	<u>2,383,971</u>	<u>2,706,436</u>

3 OPERATING PROFIT

Operating profit is stated after charging:

	2011	2012	2013
	£	£	£
Amortisation – goodwill and know how	20,000	20,000	20,000
Depreciation of tangible fixed assets (owned)	25,557	23,348	24,314
Auditors' remuneration	6,168	6,500	7,428
Difference on foreign exchange	14,922	27,725	1,824
Research and development costs expensed	498,120	453,781	505,195
	<u>498,120</u>	<u>453,781</u>	<u>505,195</u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2011	2012	2013
	£	£	£
Wages and salaries	404,297	424,803	448,333
Social security costs	43,708	46,301	42,679
Other pension costs	—	—	9,168
	<u>448,005</u>	<u>471,104</u>	<u>500,180</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2011	2012	2013
	No.	No.	No.
Management and administration	3	5	4
Scientific	8	8	8
	<u>11</u>	<u>13</u>	<u>12</u>

5 DIRECTORS' REMUNERATION

	2011 £	2012 £	2013 £
Peter Harrison	69,750	70,550	72,789
Ian Nicholson	15,000	15,300	15,759
Timothy Cowper	5,400	2,754	—
Kim Sze Tan	11,000	12,240	12,607
	<u>102,150</u>	<u>100,844</u>	<u>101,155</u>
Company pension contributions to defined contribution pension schemes	<u>—</u>	<u>—</u>	<u>2,229</u>

Retirement benefits were accruing to 1 director during 2013 in respect of defined contribution pension schemes (2012 and 2011: none)

6 INTEREST RECEIVABLE

	2011 £	2012 £	2013 £
Other interest receivable	<u>4,022</u>	<u>11,536</u>	<u>12,043</u>

7 INTEREST PAYABLE

	2011 £	2012 £	2013 £
Other interest payable	<u>—</u>	<u>120</u>	<u>97</u>

8 TAXATION

	2011 £	2012 £	2013 £
Current tax			
UK corporation tax charge on profit for the year	200,097	268,590	302,221
Adjustments in respect of prior periods	—	—	(3,204)
Total current tax	<u>200,097</u>	<u>268,590</u>	<u>299,017</u>
Deferred tax			
Origination and reversal of timing differences	(936)	479	886
	<u>199,161</u>	<u>269,069</u>	<u>299,903</u>

Factors affecting tax charge for the year

The tax assessed is lower than the standard rate of corporation tax in the UK of 23% (2012 – 24%, 2011 – 26%). The differences are explained below:

	2011 £	2012 £	2013 £
Profit on ordinary activities before tax	1,083,620	1,506,267	1,821,357
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 – 24%, 2011 – 26%)	281,741	361,504	418,912
Effects of:			
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	—	623	300
Depreciation for year in excess of capital allowances	2,699	752	472
Refunded after uplifted R&D claims	—	—	(3,204)
Other differences	10,924	15,826	9,552
R&D enhanced expenditure relief	(95,337)	(110,115)	(127,015)
Current tax charge for the year (see note above)	200,097	268,590	299,017

9 INTANGIBLE FIXED ASSETS

	Knowhow £	Goodwill £	Total £
Cost			
At 1 July 2011 and 30 June 2013	100,000	100,000	200,000
Amortisation			
At 1 July 2010	65,000	65,000	130,000
Charge for the year	10,000	10,000	20,000
At 30 June 2011	75,000	75,000	150,000
Charge for the year	10,000	10,000	20,000
At 30 June 2012	85,000	85,000	170,000
Charge for the year	10,000	10,000	20,000
At 30 June 2013	95,000	95,000	190,000
Net book value			
At 30 June 2013	5,000	5,000	10,000
At 30 June 2012	15,000	15,000	30,000
At 30 June 2011	25,000	25,000	50,000

The knowhow was acquired in December 2003, and the Company continues to derive economic benefit from it. The Directors consider it to be appropriate to continue to amortise the know how over its estimated economic life of 10 years.

10 TANGIBLE FIXED ASSETS

	Freehold property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost					
At 1 July 2010	475,000	134,270	7,500	14,138	630,908
Additions	—	5,883	—	4,855	10,738
Disposals	—	—	—	(2,607)	(2,607)
At 30 June 2011	475,000	140,153	7,500	16,386	639,039
Additions	—	15,673	—	1,027	16,700
At 30 June 2012	475,000	155,826	7,500	17,413	655,739
Additions	—	14,015	—	7,316	21,331
Disposals	—	—	—	(5,285)	(5,285)
At 30 June 2013	475,000	169,841	7,500	19,444	671,785
Depreciation					
At 1 July 2010	61,750	92,440	1,875	11,153	167,218
Charge for the year	9,500	11,712	1,875	2,470	25,557
On disposals	—	—	—	(2,607)	(2,607)
At 30 June 2011	71,250	104,152	3,750	11,016	190,168
Charge for the year	7,125	12,019	1,875	2,329	23,348
At 30 June 2012	78,375	116,170	5,625	13,346	213,516
Charge for the year	7,125	12,827	1,875	2,487	24,314
On disposals	—	(4,811)	—	—	(4,811)
At 30 June 2013	85,500	124,186	7,500	15,833	233,019
Net book value					
At 30 June 2013	389,500	45,655	—	3,611	438,766
At 30 June 2012	396,625	39,656	1,875	4,067	442,223
At 30 June 2011	403,750	36,001	3,750	5,370	448,871

Included in land and buildings is freehold land at cost of £118,750 (in all three years) which is not depreciated.

11 STOCKS

	2011 £	2012 £	2013 £
Finished goods	70,743	85,687	148,530

12 DEBTORS

	2011 £	2012 £	2013 £
Trade debtors	180,418	89,354	343,097
VAT recoverable	10,225	8,018	13,512
Prepayments and accrued income	576,112	718,810	972,753
	766,755	816,182	1,329,362

13 CREDITORS: Amounts falling due within one year

	2011	2012	2013
	£	£	£
Trade creditors	17,771	21,061	30,383
Corporation tax	101,572	128,590	158,567
Other taxation and social security	16,905	17,842	18,273
Other creditors	20,000	25,394	71,795
Accruals and deferred income	28,136	13,941	20,719
	<u>184,384</u>	<u>206,828</u>	<u>299,737</u>

14 DEFERRED TAXATION

	2011	2012	2013
	£	£	£
At beginning of year	7,173	6,237	6,716
Charge for year (P&L)	(936)	479	886
At end of year	<u>6,237</u>	<u>6,716</u>	<u>7,602</u>

The deferred tax provision is all in respect of accelerated capital allowances.

15 SHARE CAPITAL

	2011	2012	2013
	£	£	£
Allotted, called up and fully paid			
5,025,385 Ordinary shares of £0.05 each	<u>251,269</u>	<u>251,269</u>	<u>251,269</u>

16 RESERVES

	Profit and loss account	Capital redemption reserve
	£	£
At 1 July 2010	2,113,275	—
Profit for the year	884,459	—
Equity dividends	(524,117)	—
Purchase of own shares	(48,725)	1,231
At 30 June 2011	<u>2,424,892</u>	<u>1,231</u>
Profit for the year	1,237,198	—
Equity dividends	(574,904)	—
At 30 June 2012	<u>3,087,186</u>	<u>1,231</u>
Profit for the financial year	1,521,454	—
Equity dividends	(656,315)	—
At 30 June 2013	<u>3,952,325</u>	<u>1,231</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2012	2013
	£	£	£
Opening shareholders' funds	2,365,775	2,677,392	3,339,686
Profit for the financial year	884,459	1,237,198	1,521,454
Share buy back	(48,725)	—	—
Dividends	(524,117)	(574,904)	(656,315)
Closing shareholders' funds	<u>2,677,392</u>	<u>3,339,686</u>	<u>4,204,825</u>

18 DIVIDENDS

	2011	2012	2013
	£	£	£
Dividends paid on equity capital	<u>524,117</u>	<u>574,904</u>	<u>656,315</u>

A further dividend of £437,208 was declared after the balance sheet date.

19 PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,168 (2012 and 2011 – £nil). No contributions were owing at 30 June 2011, 2012 or 2013.

20 RELATED PARTY TRANSACTIONS

The Company was a subsidiary of Springhill Bio Ventures Sendirian Berhad, a company incorporated in Malaysia, throughout the years ended 30 June 2011 and 2012, and for part of the year ended 30 June 2013.

During the year ended 30 June 2013 a dividend of £457,100 (2012 – £400,000, 2011 – £364,000) was paid to Springhill Bio Ventures Berhad.

During the year ended 30 June 2013 a dividend of £123,340 (2012 – £114,400, 2011 – £104,000) was paid to Mr P and Mrs A Harrison. Mr P Harrison is a director of the Company and Mrs A Harrison is his wife.

During the year ended 30 June 2013 K S Tan received a salary of £12,607 (2012 – £12,240, 2011 – £12,000) from the Company. K S Tan is a director of both the Company and Springhill Bio Ventures Sendirian Berhad.

21 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011	2012	2013
	£	£	£
Operating profit	1,079,598	1,494,851	1,809,411
Amortisation of intangible fixed assets	20,000	20,000	20,000
Depreciation of tangible fixed assets	25,557	23,348	24,314
Loss on disposal of tangible fixed assets	—	—	474
(Increase)/decrease in stocks	19,433	(14,944)	(62,843)
Increase in debtors	(192,764)	(49,427)	(513,179)
Increase/(decrease) in creditors	14,269	(4,574)	62,931
Net cash inflow from operating activities	<u>966,093</u>	<u>1,469,254</u>	<u>1,341,108</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2010 £	Cash flow £	30 June 2011 £
Cash at bank and in hand	1,349,084	182,560	1,531,644
Net funds	<u>1,349,084</u>	<u>182,560</u>	<u>1,531,644</u>

	1 July 2011 £	Cash flow £	30 June 2012 £
Cash at bank and in hand	1,531,644	647,494	2,179,138
Net funds	<u>1,531,644</u>	<u>647,494</u>	<u>2,179,138</u>

	1 July 2012 £	Cash flow £	30 June 2013 £
Cash at bank and in hand	2,179,138	406,368	2,585,506
Net funds	<u>2,179,138</u>	<u>406,368</u>	<u>2,585,506</u>

PART V

ADDITIONAL INFORMATION

1 RESPONSIBILITY

The Company (the registered office of which appears in section 2.4 of this Part V) and the Directors (whose names appear on page 4 of this document) accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom 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 contains no omission likely to affect the import of such information.

2 THE COMPANY

- 2.1 The Company was incorporated in England and Wales under the Companies Act 1985 on 7 October 2003 under the name of Bioventix Limited with registered number 4923945 as a private company with limited liability. On 15 March 2010, the Company was re-registered as a public limited company with the name Bioventix plc.
- 2.2 The liability of the members of the Company is limited.
- 2.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.4 The registered office of the Company is at Bioventix plc, 27-28 Eastcastle Street, London, W1W 8DH and its telephone number at such registered office is 02076375216.
- 2.5 The principal place of business of the Company, and the business address of each of the Directors, is 7 Romans Business Park, East Street, Farnham, GU9 7SX. The Company's telephone number at its principal place of business is 01252 728 001.
- 2.6 The Company's website address (at which the information required by Rule 26 of the AIM Rules can be found) is www.bioventix.com

3 SHARE CAPITAL OF THE COMPANY

- 3.1 The share capital of the Company consists of an unlimited number of ordinary shares of £0.05 each. The Ordinary Shares have been created under the Companies Act 1985 and the Act. The ISIN number of the Ordinary Shares is GB00B4QVDF07.
- 3.2 The issued share capital of the Company, at the date of this document and immediately following Admission (all of which is fully paid or credited as fully paid), is and will be as follows:

Issued and credited as fully paid

Ordinary Shares of £0.05 at the date of this document and on Admission

Number
Nominal value

5,044,202
£252,210.10

- 3.3 On incorporation, the share capital of the Company was £50,000 divided into 50,000 ordinary shares of £1 each, of which one share was issued credited as fully paid to the subscriber to the memorandum of association.
- 3.4 By a special resolution passed on 23 December 2003, 7,128 unissued ordinary shares of £1 each in the capital of the Company were converted into and re-designated as preferred ordinary shares of £1 each carrying the rights and being subject to the restrictions attaching to such preferred ordinary shares set out in the articles of association of the Company adopted with effect from 23 December 2003.
- 3.5 As at 31 December 2009, the Company's issued share capital comprised 2,972 ordinary shares of £1 each and 878 preferred ordinary shares of £1 each, all of which were fully paid or credited as fully paid.

- 3.6 On 8 March 2010, SpringHill converted all of its holding of £1,071,438 of Unsecured Convertible Loan Notes 2008 into 6,250 preferred ordinary shares of £1 each at a conversion rate of £171.43 of such loan notes for one ordinary preferred share of £1 pursuant to the conditions applicable to such Notes.
- 3.7 By a special resolution passed on 9 March 2010:
- 3.7.1 all of the issued and unissued preferred ordinary shares of £1 each in the capital of the Company were converted into and re-designated as ordinary shares of £1 each;
- 3.7.2 the articles of association of the Company were amended by deleting all of the provisions of the Company's memorandum of association which, by virtue of section 28 of the Act, were to be treated as provisions of the Company's articles of association other than the provision formerly set out in clause 4 of the memorandum of association (which stated that the liability of the members was limited);
- 3.7.3 the sum of £242,400 standing to the credit of the Company's share premium account was capitalised and used to pay up in full at par 242,400 unissued ordinary shares of £1 each in the capital of the Company, which were allotted and issued to the shareholders in the Company by way of a bonus issue in the proportion of 24 new ordinary shares of £1 each for each existing ordinary share of £1 held at the close of business on such date; and
- 3.7.4 each ordinary share of £1 in the capital of the Company was subdivided into 20 ordinary shares of £0.05 each.
- 3.8 By a special resolution passed on 9 March 2010, the balance remaining on the Company's share premium account (being the sum of £989,468.50) was cancelled with effect from 11 March 2010 pursuant to section 641(1)(a) of the Act and the reserve arising was credited to the distributable reserves of the Company.
- 3.9 By a special resolution passed on 12 March 2010 and with effect from 15 March 2010:
- 3.9.1 the Company was re-registered as a public company under the Act by the name of "Bioventix plc";
- 3.9.2 the Company adopted the Articles; and
- 3.9.3 the Company was authorised (subject to provisions of the Act and stated limits) to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares.
- 3.10 The authority referred to in paragraph 3.9.3 above was renewed pursuant to special resolutions passed on 5 December 2011 and 17 December 2013 to allow the Company to make market purchases up to a maximum of 753,805 Ordinary Shares (representing 15 per cent. of the issued shares). The minimum price (excluding expenses) which may be paid per share is the par value of £0.05 and the maximum price (excluding expenses) per share is an amount equal to 105 per cent. of the average of the estimated market value of an Ordinary Share for the 5 business days immediately preceding the date on which such share is contracted to be purchased.
- 3.11 By ordinary resolutions passed on 5 December 2011 and 17 December 2013, the Directors were authorised, until the conclusion of the next annual general meeting of the Company (or, in the case of the resolution passed on 5 December 2011, if earlier, 15 months from the date on which the resolution was passed), to allot relevant securities up to an aggregate nominal amount of £37,690.
- 3.12 By a special resolution passed on 17 December 2013, the Directors, pursuant to section 570 of the Act, may (subject to restrictions) allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £37,690 for cash as if section 561 of the Act did not apply.
- 3.13 The provisions of section 561(1) of the Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will, following Admission, apply to the allotment by the Company of equity securities, except to the extent disapplied by resolution as referred to in paragraph 3.12 above.

- 3.14 Any Ordinary Shares issued following Admission will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after such issue on the Ordinary Share capital.
- 3.15 The Ordinary Shares are in registered form and may be held in either certificated or uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form. Records in respect of Ordinary Shares held in uncertificated form will be kept by Share Registrars Limited, the registered office of which is at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, GU9 7LL.
- 3.16 There are no restrictions on the transferability of the Ordinary Shares.
- 3.17 Save as disclosed in this Part V:
- 3.17.1 there are no shares which do not represent capital;
- 3.17.2 no share or loan capital in the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
- 3.17.3 no share or loan capital of the Company has been issued, or is now proposed to be issued, otherwise than fully paid;
- 3.17.4 no person has any preferential subscription rights for any share capital of the Company;
- 3.17.5 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;
- 3.17.6 the Company does not hold any of its own Ordinary Shares as treasury shares;
- 3.17.7 the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
- 3.17.8 there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.
- 3.18 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.19 There are no issued but not fully paid Ordinary Shares. The Ordinary Shares are not redeemable or convertible shares.
- 3.20 None of the Ordinary Shares have been marketed or are being made available to the public in whole or in part in conjunction with the application for Admission. The Issued Shares have been trading on the ISDX Growth Market immediately prior to Admission. It is not intended to make any arrangements for dealings in the Ordinary Shares on any other exchange other than the application to be made in connection with Admission.
- 3.21 The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

4 ARTICLES OF ASSOCIATION

- 4.1 The Articles do not provide for any objects of the Company. Under section 31 of the Act, the Company's objects are unrestricted.
- 4.2 The following is a summary description of the rights attaching to the Ordinary Shares based on the Articles and English law.

4.2.1 Voting

Subject to disenfranchisement in the event of:

- (a) non-payment of calls or other moneys due and payable in respect of an Ordinary Share; or
- (b) non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares;

and, without prejudice to any special rights previously conferred and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every

shareholder who is present in person (including by corporate representative) or by proxy at a general meeting of the Company shall have one vote, and on a poll every shareholder who is present in person (including by corporate representative) or by proxy shall have one vote for every Ordinary Share held.

A shareholder who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting. A corporation which is a member may, by resolution of its directors or other governing body, authorise one or more persons as it thinks fit to act as a representative for it at any general meeting of the Company.

4.2.2 Dividends

Subject to the Statutes (as defined in the Articles), the Company at a general meeting may declare dividends to be paid to 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 Board. Except as otherwise provided by the rights attached to any class of shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid (and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid). The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

4.2.3 Return of capital on winding up

On a winding up of the Company, the Company's assets available for distribution will be divided among the shareholders in proportion to the amounts paid up in respect of the shares held by them, subject to any rights attached to any shares. The liquidator may divide among the shareholders in kind the whole or any part of the Company's assets. The liquidator may set the value he deems fair on any property of the Company and determine how the division is to be carried out between shareholders or classes of shareholders. The liquidator may not distribute to a shareholder without his consent an asset to which there is attached a liability or potential liability for the owner.

4.2.4 Transferability of Ordinary Shares

All transfers of Ordinary Shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. All transfers of Ordinary Shares which are in uncertificated form may be effected by means of a relevant system (as defined in the Articles).

The Directors may, in the case of shares in certificated form, in their absolute discretion refuse to register any transfer of shares (not being fully-paid shares), provided that any such refusal does not prevent dealings in partly-paid shares from taking place on an open and proper basis. In addition, the Directors may, (subject to the CREST Regulations (as defined in the Articles)) refuse to register a transfer of shares (whether fully-paid or not) in favour of more than four persons jointly or made to or by an infant or patient within the meaning of the Mental Health Act 1983.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, is in respect of only one class of share and is lodged at the Transfer Office (as defined in the Articles) accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

4.2.5 Variation of class rights

Subject to the Statutes, the special rights attached to any class of shares for the time being issued may from time to time be altered or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with

the sanction of a special resolution passed at a separate general meeting of the holders of the issued shares of that class at which a quorum of two or more persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class is present (or, in the case of an adjourned meeting, any holder of shares of that class is present in person or by proxy). The special rights conferred upon the holders of any shares or class of share having preferential rights shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith or the purchase by the Company of any of its own shares.

4.2.6 Share rights

Subject to applicable laws, the Articles and to any rights for the time being attached to any existing share, any shares may be issued with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the Board may determine.

4.2.7 Changes in capital

Subject to the provisions of the Statutes and to any special rights conferred on the holders of any shares or class of shares, the Company may issue redeemable shares on such terms and conditions as the Board may determine. The Company may increase its issued share capital by allotting new shares.

Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any existing shares, any share may be issued with such special rights or such restrictions as the Company may determine by ordinary resolution. The Company may by ordinary resolution consolidate and divide its share capital into shares of a larger amount and sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Statutes).

Subject to the provisions of the Statutes, the Company may reduce share capital, any capital redemption reserve and any share premium account in any manner. The Company may also, subject to the requirements of the Statutes, purchase its own shares and redenominate its shares into a different currency.

4.2.8 Notice of General Meetings

An annual general meeting and any other general meeting shall be called by such notice as is required by the Statutes. The Board may convene a general meeting which is not an annual general meeting whenever it thinks fit. The Company is required to give notice of a general meeting to each shareholder (other than a person who, under the Articles or pursuant to any restrictions imposed on any shares, is not entitled to receive such a notice or to whom the Company, in accordance with applicable law, has not sent and is not required to send its latest annual accounts and reports), to the Directors and to the auditors. For these purposes "shareholders" are the persons registered in the Company's register of members as being holders of shares at any particular time on any particular record date fixed by the Board that (in accordance with the Uncertificated Securities Regulations 2001) is not more than 21 days before the sending out of the notices. The notice of a general meeting may specify a time by which a person must be entered on the Company's register of members in order to have the right to attend or vote at the meeting.

4.2.9 Untraced Shareholders

Subject to the Statutes, the Company may sell any shares of a member or person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have been sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled thereto at his address on the Register of Members or otherwise supplied by him remained uncashed or mandated dividend payments have failed and the Company has received no communication from such member or person. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for an amount equal to such proceeds.

If, on three consecutive occasions, notices sent to a member have been returned undelivered such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or a postal address within the UK for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices by electronic communication.

4.2.10 Sanctions on Shareholders

If a shareholder or any person appearing to be interested in a share has been duly served with a notice under section 793 of the 2006 Act and has failed in relation to any shares to give the Company the information thereby required within the prescribed period from the date of the service of the notice, then, unless the Board otherwise determines, the shareholder shall not be entitled to attend or vote at any general meeting or any separate meeting of the holders of that class of shares or on a poll. Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends shall be retained by the Company and such shareholder shall not be entitled to transfer such shares unless the shareholder himself is not in default, or the transfer is an approved transfer or the registration of the transfer is required under the Uncertificated Securities Regulations 2001.

4.2.11 Lien and forfeiture

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether presently or not) called or payable at a fixed time in respect of that share. The Board may sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

Subject to the terms on which shares are allotted, the Board may make calls on shareholders in respect of any money unpaid on their shares. Each shareholder shall (subject to receiving at least 14 days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 7 days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.2.12 Directors' Fees

The Directors (other than those holding executive office in the Company or any subsidiary of the Company) shall be paid by way of fees for their services at such rate and in such proportion as the Board may resolve. Any Directors who are resident outside the UK and not holding full-time salaried employment in the Company or any subsidiary of the Company, may be paid such extra remuneration as the Board may determine. Any Director who holds executive office or who performs duties outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Board may determine.

The Directors shall also be paid all such reasonable expenses as they may incur in attending or returning from meetings of the Company or of the Board or any committee or otherwise in connection with the business of the Company or the proper exercise of their duties.

The Board may provide pensions, annuities or other allowances or benefits to any persons who are or were directors of the Company and their relatives and dependants.

4.2.13 Board powers

The Company's business is managed by the Board. The Board may exercise all the Company's powers and may do on its behalf anything that can be done by the Company or on its behalf which is not required by law or the Articles to be exercised or done by the Company in general meeting, subject to applicable laws, the Articles and such regulations as may be prescribed by the Company by special resolution.

The Board may delegate to a Director holding executive office any of its powers, authorities and discretions on such terms as it thinks fit. The Board may grant to a Director the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the Director. The Board may also delegate any of its powers, authorities and discretions on such terms as it thinks fit to a committee consisting of one or more Directors and, if thought fit, one or more other persons provided that the number of such other persons is less than 50% of the total number of members of the committee.

4.2.14 Directors' Conflicts of Interest

A Director must declare to the other Directors any situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the Company unless it relates to a contract, transaction or arrangement with the Company or the matter has been authorised by the Directors or the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors (subject in any such case to any limits or conditions to which such approval was subject).

4.2.15 Votes and Directors' Interests

A Director who is in any way, whether directly or indirectly, interested in a proposed or existing contract with the Company must declare the nature and extent of that interest to the other Directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, transaction, arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise through the Company), except that this prohibition shall not apply to:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

- (b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder;
- (e) any arrangement for the benefit of Directors or employees of the Company or any directors or employees of its subsidiaries which does not award him any privilege or benefit not generally awarded to the other persons to whom such arrangement relates;
- (f) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of *inter alia* any Directors of the Company;

and the Company may by ordinary resolution at any time suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

4.2.16 Qualification Shares

The Directors are not required to hold qualification shares.

4.2.17 Retirement and Appointment of Directors

The minimum number of Directors is two. This limit may be changed by ordinary resolution of the Company.

At each annual general meeting of the Company, one-third (or the nearest number to one-third) of the Directors (other than any director holding any executive office) shall retire from office by rotation. The Directors to retire in every year shall be those who wish to retire and any further Directors so to retire shall be those who have been longest in office since their last election but, as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director (other than any director holding any executive office) who would not otherwise be required to retire shall retire by rotation at every third Annual General Meeting after his last appointment or re-appointment. A retiring Director shall be eligible for re-election.

The Company may from time to time by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional director. The Directors may also from time to time appoint one or more Directors either to fill a casual vacancy or as an additional director but any Director so appointed (other than any director holding any executive office) shall retire at or at the end of the next annual general meeting of the Company but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Company may remove any Director from office by ordinary resolution of which special notice has been given in accordance with the Statutes. A Director may also be removed from office under the Articles by notice in writing served on such Director by all his co-Directors.

4.2.18 Executive Office

The Board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides.

4.2.19 Directors' indemnity and insurance

Subject to the Act and applicable law, the Company may indemnify any Director or any director of any associated company against any liability pursuant to any qualifying third party indemnity provision or any qualifying pension scheme indemnity provision, or on any other basis as is then lawful, in each case on such terms as the Board may decide. The Company may also purchase and maintain for any Director or any director of any associated company insurance against any liability.

4.2.20 Borrowing Powers

Subject to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property 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.

5 INTERESTS OF THE DIRECTORS

- 5.1 The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at 23 April 2014 (being the last practicable date prior to the printing of this document) and as expected to be immediately following Admission are as follows:

Name	<i>At the date of this document and at Admission</i>		
	No. of Ordinary Shares	Percentage of Issued Share capital	No. of Ordinary Shares over which Options are granted
Ian Nicholson	40,000	0.8	—
Peter Harrison	841,176	16.7	—
Treena Turner	—	—	—
Nick McCooke	—	—	—

- 5.2 Save as disclosed in paragraph 5.1 above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the Act) has any interest (including any option), whether beneficial or non-beneficial, in any share or loan capital of the Company.
- 5.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 5.4 Save for the agreement referred to in paragraph 10.1, the service agreements and letters of appointment referred to in paragraph 7 of this Part V, there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors, recent directors, shareholders or recent shareholders of the Company connected with or dependent upon Admission.
- 5.5 Save as disclosed above, and save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

6 MAJOR SHAREHOLDERS

- 6.1 As at 23 April 2014 (being the last practicable date prior to the printing of this document) and as expected to be immediately following Admission, so far as the Directors are aware, in addition to the interests set out in paragraph 5.1 above, the following persons will have interests in voting rights in 3 per cent. or more of the issued share capital of the Company:

Shareholder	Percentage of Ordinary Share capital
Henderson Global Investors Ltd	27.5
Miton Group plc	22.6
ISIS Equity Partners LLP	7.6
HSBC Global Custody Nominee (UK) Limited	4.9

- 6.2 Save as disclosed in paragraph 6.1 above, the Directors are not aware of any person or persons who, directly or indirectly, have at the date of this document an interest in the Company which represents 3 per cent. or more of its issued share capital or voting rights, or who, at the date of this, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 6.3 Save as disclosed in paragraph 6.1 above, the Directors are not aware of any person or persons who, directly or indirectly, will immediately following Admission have an interest in the Company which represents 3 per cent. or more of its issued share capital or voting rights or who immediately following Admission will, directly or indirectly, jointly or severally, exercise, or could then exercise, control over the Company.
- 6.4 Neither the Directors nor any of the Shareholders listed in paragraph 6.1 above have different voting rights to other holders of Ordinary Shares.

7 DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

- 7.1 Ian James Nicholson was appointed as a non-executive director with effect from 26 April 2004 and entered into a formal agreement with the Company on 25 November 2004. His appointment is terminable on three months' written notice by either party at any time and also subject to the Articles which (amongst other things) require the regular retirement by rotation of non-executive directors. Mr Nicholson currently receives an annual fee of £15,000 which will increase to £20,000 with effect from Admission. He is not entitled to any benefits available to executive directors of the Company. He is subject to confidentiality obligations and provisions relating to conflicts of interest. If his appointment is terminated in certain circumstances, he will not be entitled to any compensation for loss of office.
- 7.2 Peter John Harrison entered into an agreement with the Company to act as Managing Director on 23 December 2003 for an indefinite period terminable on six months' written notice by either the Company or Mr Harrison. With effect from 9 March 2010, his title was changed to Chief Executive Officer. The Company may terminate the agreement summarily without payment in lieu of notice if, amongst other things, Mr Harrison commits a serious, persistent or material breach of the agreement or is guilty of serious misconduct. The Company may also, during any notice period, require Mr Harrison not to attend work or carry out any of his duties. Mr Harrison's current annual salary under such agreement is £70,337. The agreement contains provisions regarding confidentiality, intellectual property and post-termination restrictive covenants applicable for 12 months after the termination.
- 7.3 Mr Harrison entered into a new service agreement with the Company on 23 April 2014 under which, with effect from 1 May 2014, he will act as Chief Executive Officer (for an indefinite period terminable on six months' written notice by either the Company or Mr Harrison) and receive an annual salary of £120,000 (provided that Admission has then occurred). This agreement will replace the agreement referred to in paragraph 7.2 above. The Company may terminate this agreement summarily without notice and with no liability to make any further payment to Mr Harrison if, amongst other things, Mr Harrison commits a serious or repeated breach of the agreement, is guilty of a serious breach of the rules and regulations of the UK Listing Authority or the Financial Conduct Authority, is disqualified from acting as a director or is, in the reasonable opinion of the Company, negligent or incompetent in the performance of his duties. The Company may also terminate the agreement with immediate effect and make a payment to Mr Harrison in lieu of notice. The Company may, during any notice period,

require Mr Harrison not to attend work or carry out any of his duties. The agreement contains provisions regarding confidentiality, intellectual property and post-termination restrictive covenants applicable for 12 months after the termination.

- 7.4 Treena Joan Turner was appointed as non-executive finance director with effect from 3 January 2012 under the terms of a letter dated 20 December 2011. Her appointment is terminable on three months' written notice by either party at any time and also subject to the Articles which (amongst other things) require the regular retirement by rotation of non-executive directors. The Company may terminate the agreement summarily without any compensation for loss of office if, amongst other things, Mrs Turner is guilty of willful and persistent neglect of her obligations under the appointment or serious misconduct. Mrs Turner does not directly receive fees from the Company but is a partner in Wise & Co which receives payment from the Company for services provided to the Company. She is not entitled to any benefits available to executive directors of the Company. She is subject to confidentiality obligations and provisions relating to conflicts of interest. If her appointment is terminated in certain other circumstances, she will not be entitled to any compensation for loss of office.
- 7.5 Nicholas John McCooke was appointed as a non-executive director with effect from 25 January 2014 under the terms of a letter dated 16 January 2014. His appointment is terminable on three months' written notice by either party at any time and also subject to the Articles which (amongst other things) require the regular retirement by rotation of non-executive directors. The Company may terminate the agreement summarily without any compensation for loss of office if, amongst other things, Mr McCooke is guilty of willful and persistent neglect of his obligations under the appointment or serious misconduct. Mr McCooke currently receives an annual fee of £13,000 (plus VAT, if applicable) which will increase to £17,000 with effect from Admission. He is not entitled to any benefits available to executive directors of the Company. He is subject to confidentiality obligations and provisions relating to conflicts of interest. If his appointment is terminated in certain other circumstances, he will not be entitled to any compensation for loss of office.
- 7.6 Save as disclosed above, there are no service contracts or other agreements in existence or proposed between any Director and the Company including any contract providing for benefits upon termination of employment of any director.

8 ADDITIONAL INFORMATION ON THE DIRECTORS

- 8.1 The Directors (in addition to their directorships of the Company) are or have been a member of the administrative, management or supervisory bodies, or directors or partners of the following companies or partnerships, within the five years immediately prior to the publication of this document:

Name	Current positions	Former positions
Ian Nicholson	Advent Life Sciences LLP Consort Medical plc Clinigen Group plc Casewell Consulting Limited F2G Ltd NeRRRe Therapeutics Cancer Research UK Pioneer Fund	Chroma Therapeutics Limited Bioindustry Association Macrotarg Limited
Nick McCooke	—	Oxford Cancer Biomarkers Limited Pronota
Peter Harrison	—	—
Treena Turner	Firmvalue Payrolls Limited Wreck Limited Wise & Co	—

8.2 None of the Directors has:

- 8.2.1 any unspent convictions in relation to indictable offences (including fraudulent offences);
- 8.2.2 had any bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;
- 8.2.3 been a director of a company which has been placed in receivership, creditors' voluntary liquidation, compulsory liquidation or administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director;
- 8.2.4 been a partner in any partnership which has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 8.2.5 been the owner of any asset or been a partner in any partnership which owned any asset which, while he owned that asset or while he was a partner or within the 12 months after he ceased to be a partner in the partnership which owned the asset, entered into receivership;
- 8.2.6 been the subject of any official public criticism, incrimination or sanction by any statutory or regulatory authority (including designated or recognised professional bodies); or
- 8.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

9 RELATED PARTY TRANSACTIONS

- 9.1 Save as set out in paragraph 7 of this Part V (*Directors' service agreements and letters of appointment*), as far as the Directors are aware there have been and currently there are no agreements or other arrangements between the Company and individuals or entities that may be deemed to be related parties prior to 23 April 2014 (being the latest practicable date prior to the publication of this document).

10 MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) entered into by the Company either have been entered into within the two years immediately preceding the date of this document and are or may be material or contain a provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

- 10.1 On 5 February 2014 the Company and finnCap entered into an agreement pursuant to which finnCap has agreed to provide certain services to the Company in connection with Admission and to act as nominated adviser to the Company from Admission. finnCap has agreed to provide, amongst other things, such independent advice and guidance to the Directors and the Company as they may require from time to time as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules. The Company has agreed to pay finnCap an annual retainer fee as well as payment of any disbursements and expenses reasonably incurred by finnCap in the course of carrying out its duties as nominated advisor. The Company has also agreed to indemnify finnCap and its directors and staff against certain liabilities and costs in connection with the provision of services by finnCap except where such liability or loss arises from the fraud, wilful default or negligence of finnCap.
- 10.2 On 24 April 2014, the Company and finnCap entered into an Admission Agreement, pursuant to which finnCap has agreed to provide advice and assistance to the Company in connection with the Admission to AIM. Under the Admission Agreement:
- the Company has agreed upon Admission to pay, together with VAT where applicable, a corporate finance fee;
 - the Company has agreed to pay all costs, charges and expenses properly and reasonably incurred and arising out of, or incidental to, Admission, including finnCap's reasonable costs and expenses; and

- the Company has given certain warranties and indemnities to finnCap, for the benefit of finnCap, each of its associated companies (as defined therein) and their respective directors, officers, employees and agents. The warranties and indemnities provided by the Company are customary for this type of agreement.

The Admission Agreement may be terminated by finnCap in certain specified circumstances, including, (amongst other things) if at any time prior to Admission there is (1) in the opinion of finnCap, a material adverse change in the financial position, business or prospects of the Company, or (2) a breach in any material respect of any warranty set out in the Admission Agreement.

11 PREMISES

The Company owns the freehold interests in Units 6 and 7, Romans Business Park, East Street, Farnham GU9 7XS which are both registered at the Land Registry with Title Absolute. The registered titles do not contain any restrictive covenants which would prevent either property from being used for its current purpose as offices and laboratories under controlled conditions and equipment.

12 LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company.

13 WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company is sufficient for its present requirements; that is, for at least the next 12 months from the date of Admission.

14 TAXATION

14.1 The following paragraphs are intended as a general guide only for shareholders who are resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HMRC practice. Any person who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

14.1.1 Taxation of dividends

Under current UK legislation, no tax is withheld from dividend payments by the Company. The Company assumes no obligation to withhold UK tax at source from dividend payments.

A UK resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be taxed on the aggregate of the dividend and the tax credit (the "Gross Dividend"). The value of the tax credit is one ninth of the dividend received (or ten percent of the Gross Dividend). The Gross Dividend will be treated as the top slice of the individual's income.

In the case of a UK resident individual who is liable to income tax at the basic rate only, there will be no further tax to pay on the dividend received. A UK resident individual who is liable to income tax at the higher rate will be subject to income tax on the Gross Dividend at 32.5 percent, but will be able to set the tax credit off against part of this liability. As a result, such a Shareholder will suffer income tax at an effective rate of 25 percent of the dividend received. A UK resident individual who is liable to income tax at the additional rate will be subject to income tax on the Gross Dividend at 37.5 percent, but will be able to set the tax credit off against part of this liability. As a result, such a Shareholder will suffer income tax at an effective rate of 30.55 percent of the dividend received. A UK resident Shareholder who is not liable to income tax on the dividend (or part of it) is not able to claim payment of the tax credit in cash from HM Revenue & Customs.

UK resident corporate Shareholders (including authorised unit trusts and open-ended investment companies) and pension funds will not normally be liable to UK taxation on any dividend received and are not entitled to payment in cash of the related tax credit.

Whether Shareholders who are resident for tax purposes in countries other than the UK are entitled to the whole or a proportion of the tax credit in respect of dividends on their Ordinary Shares depends in general upon the provisions of any double taxation convention or agreement which exists between such countries and the United Kingdom.

14.1.2 Capital Gains

Shareholders who are resident for tax purposes in the United Kingdom may be liable to UK taxation on chargeable gains on a disposal of Ordinary Shares, depending upon their individual circumstances and subject to any available exemption or relief.

A Shareholder who is not resident for tax purposes in the United Kingdom will not be liable to UK taxation on chargeable gains unless the Shareholder carries on a trade, profession or vocation in the UK through a branch or agency and the Ordinary Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch or agency. Such Shareholders may also be subject to tax under any law to which they are subject outside the United Kingdom.

United Kingdom resident individual Shareholders, depending upon their individual circumstances and any available reliefs, may be subject to capital gains tax at the prevailing rate on any disposals of Ordinary Shares. For individuals whose total taxable income and gains after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount) is less than the upper limit of the basic rate income tax band (£31,865 for 2014/15), the rate of capital gains tax will be 18 percent. For gains (and any parts of gains) above that limit, the rate will be 28 percent. For trustees and personal representatives, the rate will be 28 percent for gains above the applicable capital gains tax annual exempt amount.

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to the company that realises the gain. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax, but may not create or increase a loss.

14.1.3 Inheritance Tax

The Ordinary Shares are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of Ordinary Shares by, or the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

14.1.4 Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax ("SDRT") position and do not apply to persons such as market makers, brokers, dealers or intermediaries. No stamp duty or SDRT will be payable on the issue of Ordinary Shares. UK Stamp Duty (at the rate of 0.5 percent of the amount of the value of the consideration for the transfer, rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK.

Where Ordinary Shares are held in certificated form, no stamp duty or SDRT will be payable on an instrument of transfer of such Ordinary Shares into CREST unless such transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 percent) will arise.

Paperless transfers of Ordinary Shares within CREST will be liable to SDRT rather than stamp duty. The Finance Bill 2014 includes provisions that will exempt shares admitted to trading on AIM from stamp duty and SDRT. Subject to the Finance Bill receiving Royal Assent, the exemption will come into effect from 28 April 2014.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

The comments set out above are intended only as a general guide to the current tax position in the UK at the date of this document. The rates and basis of taxation can change and will be dependent on a Shareholder's personal circumstances.

Neither the Company nor its advisers warrant in any way the tax position outlined above, which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

15 MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO THE SHARES

15.1 Mandatory Bid

15.1.1 The City Code applies to the Company. Under the City Code, if an acquisition of Ordinary 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 all of the remaining Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

15.1.2 This requirement would also be triggered by an acquisition of Ordinary 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.

15.2 Squeeze-out

15.2.1 Under the Act, if an offeror were to acquire 90 per cent. or more of the Ordinary Shares within the period specified by the Act, it could then compulsorily acquire the remaining Ordinary Shares. It would do so by sending a notice to the relevant 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 the consideration to the Company, which would hold such consideration on trust for such Shareholders.

15.2.2 The consideration offered to the Shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the relevant takeover offer, unless such Shareholders can show that the offer value is unfair.

15.3 Sell-out

The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which such offer relates who has not accepted the offer can by written communication to the offeror require it to acquire those Ordinary 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. If a Shareholder exercises its right to be bought out, the offeror is bound to acquire the relevant Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

16 THE SCHEME

The Company adopted the Bioventix PLC EMI Share Option Scheme (the "Scheme") on 12 June 2013. The Scheme is administered by the Board. The main features of the Scheme are summarised below:

16.1 Eligibility

Options may be granted under the Scheme to all persons who at the date at which an option is granted under the Scheme are employees of the Company or any of its subsidiaries, provided they meet the working time requirements under the EMI Code. The Board decides to

whom options are granted, the number of ordinary shares under an option and the exercise date(s) (subject as indicated below). No options may be granted more than 10 years after the date on which the Scheme was adopted by the Company.

16.2 Option price

The exercise price for options will be the closing price of the Ordinary Shares on the business day prior to the grant of the relevant options.

16.3 Exercise of options

Options will become exercisable following the earlier of a takeover, the voluntary winding up of the Company or the expiry of three years from the date of grant of an option, or such longer period as the Board may specify in an option certificate. Options granted under the Scheme are not subject to performance conditions.

16.4 Rights and restrictions

Where an option holder ceases to be employed by the Company or any of its subsidiaries before their option has been exercised, if the option holder is a good leaver, their options will become exercisable (if not already exercisable) and exercise may be permitted within the period of 12 months from the cessation of their employment, after which point they shall lapse if not exercised. An option holder will be a good leaver if they leave by reason of illness, injury or disability, death, retirement, or where the option holder is employed by a subsidiary, that subsidiary ceasing to be a 51% subsidiary of the Company. The Board may also exercise their discretion within 30 days of leaving to treat any leaver as a good leaver. Any option holder who is not a good leaver will lose their options without compensation.

An option granted under the Scheme is not transferable. Options will also lapse if an option holder is declared bankrupt or attempts to assign their option.

16.5 Allotment of Ordinary Shares

The shares allotted under the Scheme will rank *pari passu* with the Company's issued Ordinary Shares.

16.6 Scheme limits

The aggregate number of Ordinary Shares issued or remaining issuable pursuant to the Scheme on (and including) any date of grant together with the number of Ordinary Shares issued or remaining issuable under options or share awards granted pursuant to the Scheme may not exceed 10 per cent. of the number of Ordinary Shares in issue immediately prior to such date of grant.

16.7 Alteration

The Board may alter the Scheme except that (apart from minor amendments to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax treatment for eligible employees) no alteration will be made which would detrimentally affect an option holder except with his or her prior written consent.

16.8 Grant of Options

In addition to the details set out in paragraph 5.1 above, the following options were granted to eligible employees (none of whom were Directors) and remain outstanding:

Date of grant	Aggregate No of Ordinary Shares under option	Exercise Price per share (pence)	Performance Conditions (if any)
4 July 2013	80,048	£3.12	none
25 March 2014	14,424	£6.40	none

17 GENERAL

- 17.1 finnCap has given and not withdrawn its written consent to the inclusion of references to it in this document in the form and context in which they appear.

- 17.2 James Cowper LLP, as the reporting accountant, has given and not withdrawn its written consent to the inclusion of its report in Part IV of this document in the form and context in which it is included.
- 17.3 The accounting reference date of the Company is 30 June. The auditors of the Company are James Cowper LLP, Chartered Accountants and Statutory Auditors, of 3 Wesley Gate, Queen's Road, Reading RG1 4AP. James Cowper LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 17.4 The financial information in this document relating to the Company does not comprise statutory accounts within the meaning of section 434(3) of the Act. The statutory accounts of the Company for the period ended 30 June 2013 have been delivered to the Register of Companies in England and Wales. The auditors' report in respect of such accounts was unqualified and did not contain any statements under section 498(2) or (3) of the Act.
- 17.5 Save as disclosed in this document, the Directors are not aware of any patents or intellectual property rights, licences or industrial, commercial or financial contracts or new manufacturing processes which may be of material importance to the Company's business or profitability.
- 17.6 Save as disclosed in this document, the Directors are not aware of (i) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the period commencing on the date of this document until 30 June 2014 or (ii) any trends in production, sales and inventory, and costs and selling prices between 30 June 2013 and the date of this document.
- 17.7 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 17.8 There are no investments to be made by the Company or any other member of the Company in the future in respect of which firm commitments have been made.
- 17.9 There has been no significant change in the financial or trading position of the Company since 31 December 2013 being the date to which the unaudited interim results of the Company for the six months ended on that date have been published as set out in Part III of this document.
- 17.10 Other than contractual arrangements with employees and consultants and payments in the ordinary course of business, and save as set out in this document, no person (excluding those professional advisers referred to in this document and trade suppliers) has:
- 17.10.1 received, directly or indirectly, from the Company within the 12 months preceding the Company's application for Admission; or
- 17.10.2 entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, any of the following:
- (a) fees totalling £10,000 or more;
- (b) securities in the Company with a value of £10,000 or more calculated by reference to the issue price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 17.11 The total costs and expenses relating to Admission payable by the Company (including professional fees and printing costs) are estimated to amount to approximately £133,050 (excluding VAT).

18 AVAILABILITY OF THIS DOCUMENT

- 18.1 Copies of this document are available free of charge from the Company's registered office and at the offices of finnCap, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. A copy of this document is also available on the Company's website at www.bioventix.com
- 18.2 Copies of the following documents will be available for inspection on the dates and at the times referred to in paragraph 18.1 above at the offices of Charles Russell LLP at 5 Fleet Place, London EC4M 7RD:
- 18.2.1 the articles of association of the Company;

18.2.2 the accountant's report set out in Part IV of this document; and

18.2.3 this document.

24 April 2014

