

Bioventix plc
("Bioventix" or the "Company")

Unaudited Interim Results for the six months ended 31 December 2021

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 results for the six-month period ended 31 December 2021.

Highlights

- Revenue down 8% to £4.7 million (2020: £5.2 million)
- Profit before tax £3.6 million (2020: £3.7 million)
- Closing cash balances of £5.1 million (2020 £5.8 million)
- First interim dividend up 20% to 52p per share (2020: 43p)

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Business review

Revenues for the half-year of £4.73 million (2020: £5.16 million) were affected by a number of factors. The global pandemic has continued throughout the reporting period and has affected the activity within diagnostic pathways in hospitals and clinics around the world to which our business is intrinsically linked. The dynamics of the pandemic remain difficult to predict but when it eases, we believe our robust core business will respond accordingly. As reported previously, the growth rates for our vitamin D antibody sales were not expected to match those seen in recent financial years and a plateau in the downstream global vitamin D assay market had been anticipated. Sales associated with assay formats using larger quantities of antibody per test suffered more as price erosion in downstream markets puts pressure on costly "antibody-hungry" products. As we have previously reported, the contractual payment period relating to our NT-proBNP sales terminated in July 2021. This resulted in a reduction of our revenue of approximately £600k for the period which masked a steady performance for the remainder of the business.

Sales relating to troponin antibodies grew significantly once again during the period. The continued roll-out of high sensitivity troponin tests provides further encouragement for our future sales in this area.

Total profits before tax for the half-year were down 4% to £3.56 million (2020: £3.72 million). The cash balances at 31 December 2021 stood at £5.1 million, down from £5.8 million a year earlier.

Our research activities continue in line with the plans described in the 2021 annual report.

We continue to await news and critical data from our partners in Oslo on both our secretoneurin (CardiNor & cardiac care) and amyloid beta (Pre-Diagnostics and Alzheimer's) projects. We hope to have more news during 2022.

Since the summer of 2020, a considerable amount of our laboratory resources has been focused on the Tau biomarker which shows exciting potential in neuropathological diseases including Alzheimer's. Some new antibodies were made during 2021 and we have more antibodies in the development pipeline for 2022. The antibodies have been and will continue to be subjected to assay development and validation using clinical samples at the world-renowned laboratory of Kaj Blennow and Henrik Zetterberg at the University of Gothenburg. We are delighted with the

continuing development of this collaboration and look forward to the generation of new data with our partners during 2022.

We are pleased with the continued development of our industrial pollution exposure assay. Our prototype lateral flow test for pyrene in industrial worker's urine featured in a field trial at a UK industrial site during Q4.2021. The results from the device and phone-app correlated relatively well with results from parallel samples analysed by a central health and safety laboratory. Important feedback from the trial was gained and has prompted a minor modification of the phone-app camera reader system and we plan further trials in 2022.

Our work on developing antibodies to mitigate against the interference effect of biotin vitamin supplements on certain blood tests has progressed and we now have a candidate "blocker" antibody that shows promise. Our focus now is on the process development parameters required to make this antibody in the required quantity and at the prices necessary for this application to be commercially attractive for customers.

Our new THC/cannabis antibody "sandwich" format which has been in development for approximately two years is now successfully working in a number of customer products and is moving into commercial development thereby adding to overall revenues in the future.

Throughout the challenges of the recent past, Bioventix has demonstrated that it is a resilient business with established products and reliable revenue streams. We will therefore continue to follow our established dividend policy and for the period under review, the Board is pleased to announce a first interim dividend of 52p per share which represents a 20% increase on the interim dividend paid last year (43 pence per share). The shares will be marked ex-dividend on the 7 April 2022 and the dividend will be paid on 22 April 2022 to shareholders on the register at close of business on 8 April 2022.

In conclusion, there have been challenges over the last two years but we continue to have confidence in the strength of our core business and the outlook for the full year. We remain optimistic about our troponin revenues and the success of these high sensitivity troponin products around the world and we look forward to reporting further progress in the second half of the year.

P Harrison

I J Nicholson

Chief Executive Officer

Non-Executive Chairman

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About Bioventix plc:

Bioventix (www.bioventix.com) specialises in the development and commercial supply of high-affinity monoclonal antibodies with a primary focus on their application in clinical diagnostics, such as in automated immunoassays used in blood testing. The antibodies created at Bioventix are generated in sheep and are of particular benefit where the target is present at low concentration and where conventional monoclonal or polyclonal antibodies have failed to produce a suitable reagent. Bioventix currently offers a portfolio of antibodies to customers for both commercial use and R&D purposes, for the diagnosis or monitoring of a broad range of conditions, including heart disease, cancer, fertility, thyroid function and drug abuse. Bioventix currently supplies antibody products and services to the majority of multinational clinical diagnostics companies. Bioventix is based in Farnham, UK and its shares are traded on AIM under the symbol BVXP.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

BIOVENTIX PLC
STATEMENT OF COMPREHENSIVE INCOME
for the six month period ended 31 December 2021

	Unaudited Six months ended 31 Dec 2021 £	Unaudited Six months ended 31 Dec 2020 £
TURNOVER	4,730,570	5,164,733
Cost of sales	<u>(388,205)</u>	<u>(452,689)</u>
GROSS PROFIT	4,342,365	4,712,044
Administrative expenses	(669,107)	(688,981)
Share option charge	(129,873)	(137,810)
Difference on foreign exchange	10,565	(195,842)
Research & development tax credit adjustment	5,583	17,981
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OPERATING PROFIT	3,559,533	3,707,392
Interest receivable	2,657	10,587
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PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,562,190	3,717,979
Tax on profit on ordinary activities	<u>(574,380)</u>	<u>(620,012)</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>2,987,810</u>	<u>3,097,967</u>
Earnings per share for the period:		
Basic	57.35p	59.47p
Diluted	56.79p	58.84p

BIOVENTIX PLC
STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020
	£	£
FIXED ASSETS		
Tangible fixed assets	779,003	777,244
Investments	610,039	610,039
	<u>1,389,042</u>	<u>1,387,283</u>
CURRENT ASSETS		
Stocks	375,163	225,471
Debtors	3,813,882	3,747,887
Cash at bank and in hand	<u>5,050,769</u>	<u>5,844,455</u>
	9,239,814	9,817,813
CREDITORS: amounts falling due within one year	(836,475)	(839,835)
	<u>8,403,339</u>	<u>8,977,978</u>
NET CURRENT ASSETS	<u>8,403,339</u>	<u>8,977,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	9,792,381	10,365,261
PROVISIONS FOR LIABILITIES		
Deferred Tax	<u>(63,717)</u>	<u>58,134</u>
NET ASSETS	<u>9,728,664</u>	<u>10,307,127</u>
CAPITAL AND RESERVES		
Called up share capital	260,467	260,467
Share premium account	1,332,471	1,332,471
Capital redemption reserve	1,231	1,231
Profit and loss account	<u>8,134,495</u>	<u>8,712,958</u>
SHAREHOLDERS' FUNDS	<u>9,728,664</u>	<u>10,307,127</u>

BIOVENTIX PLC
STATEMENT OF CASH FLOWS
for the six month period ended 31 December 2021

	Unaudited 31 Dec 2021 £	Unaudited 31 Dec 2020 £
CASHFLOW FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Profit for the financial period	2,987,810	3,097,967
Depreciation of tangible fixed assets	68,034	61,858
Interest received	(2,657)	(10,587)
Taxation charge	574,380	620,012
Decrease / (increase) in stocks	(42,705)	19,952
Decrease / (increase) in debtors	812,085	(98,517)
(Decrease) /increase in creditors	(212,127)	(127,399)
Corporation tax (paid)	(548,916)	(373,512)
Share option charge	<u>129,873</u>	<u>137,810</u>
Net cash generated from operating activities	<u>3,765,777</u>	<u>3,327,584</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,317)	(120,607)
Interest received	2,657	10,587
Net cash from investing activities	<u>(660)</u>	<u>(110,020)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	74
Movement on share premium account	-	20,148
Dividends paid	(5,209,333)	(5,469,800)
Net cash used in financing activities	<u>(5,209,333)</u>	<u>(5,449,578)</u>
Cash and cash equivalents at the beginning of the period	6,494,985	8,076,468
Cash and cash equivalents at the end of the period	5,050,769	5,884,455
Cash and cash equivalents at the end of the period comprise:		
Cash at bank and in hand	<u>5,050,769</u>	<u>5,884,455</u>

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Notes to the financial information

1. While the interim financial information has been prepared using the company's accounting policies and in accordance with Financial Reporting Standard 102, the announcement does not itself contain sufficient information to comply with Financial Reporting Standard 102.
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 FRS 102.

3.2 Revenue

•Turnover is recognised for product supplied or services rendered to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria determine when turnover will be recognised:

•Direct sales are recognised at the date of dispatch.

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

•Annual licence revenue is recognised, in full, based upon the date of the invoice, and royalties are accrued over the period to which they relate. Revenue is recognised based on the returns and notifications received from customers and in the event that subsequent adjustments are identified, they are recognised in the period in which they are identified.

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Notes to the financial information

3.3 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

3.4 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

3.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than twelve months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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Notes to the financial information

3.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

3.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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Notes to the financial information

3.13 Employee benefits-share-based compensation

The company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the company will revise its estimates of the number of options are expected to be exercisable. It will recognise the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3.14 Research and development

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

3.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

3.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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Notes to the financial information

3.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.