

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

**Correction - Unaudited Interim Results for the six months ended 31
December 2019**

The Company has become aware that due to an administration error a sales rebate of \$219k (£167k) was not entered into the accounting system. Consequently revenues for the six month period were £5.1m not the £5.3m as reported on 30 March 2020. Pre tax profits were £4.1m as opposed to £4.3m as previously stated. The cash figure and interim dividend remain unchanged.

The revised results are as stated below.

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 2019.

Highlights

- Revenue up 17% to £5.1 million (2018: £4.4 million)
- Profit before tax up 26% to £4.1 million (2018: £3.2 million)
- Closing cash balances unchanged at £5.5 million
- First interim dividend up 20% to 36p per share (2018: 30p)

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Business review

We are pleased to announce a strong performance for the unaudited interim results for the six-month period ended 31 December 2019 with revenues for the half-year of £5.1 million (2018: £4.4 million) up 17% on the previous year.

Total profits before tax for the half-year increased by 26% to £4.1 million (2018: £3.2 million). The cash balances remained very similar, finishing the period unchanged at £5.5 million.

Vitamin D antibody sales continued at the healthy levels seen during the previous financial year and this contributed towards the growth. Whilst this is very encouraging, we continue to see evidence of a plateau in the downstream global vitamin D assay market. We have previously commented on the impressive performance of two specific customers in the downstream vitamin D test market - Diazyme (San Diego, US) and Boditech (South Korea) – and their sales continued to grow.

Other revenue streams for the core of established antibodies showed modest growth during the period. Added to this were increased sales of a number of newer antibodies (T4/thyroxine, androstenedione and biotin).

Sales relating to troponin antibodies grew significantly during the period. Whilst the actual sales were slightly below our expectation, the percentage growth provides encouraging evidence of the roll-out of these new tests and for the future sales performance.

Our research activities continue in line with the plans described in the 2019 annual report. Whilst we will report further on these various projects with our full year results, we are particularly pleased with the development of our pollution exposure assay. We have successfully tested a prototype

lab-based ELISA method and this will progress towards commercial kit manufacture during the second half of calendar 2020. Our hope is that we will have a lab-based kit available for sale to pollution researchers sometime during calendar 2021. In addition to the pollution research market, it is also possible that the test will have a degree of utility in the health and safety field (i.e. industrial worker biomonitoring). We will initially introduce the test directly to interested parties before seeking appropriate commercial partners for the future.

With the exception of COVID-19, the overall context of the business and the landscape in which we operate has not materially changed since the 2019 annual report and we draw the attention of any new shareholders to this report.

We have continued with the development of our Farnham laboratory. The work on our manufacturing facilities has been completed and we are now fully operational. The last remaining phase of the development work (cost ~£100k) covering the technology development lab is planned for later in 2020.

In relation to the comments below regarding COVID-19, Bioventix is a resilient business and the Board will continue to follow our established dividend policy. For the period under review, the Board is pleased to announce a first interim dividend of 36p per share which represents a 20% increase on last year.

The shares will be marked ex-dividend on 9 April 2020 and the dividend will be paid on 28 April 2020 to shareholders on the register at close of business on 14 April 2020.

We would like to offer some comments on and the impact of COVID-19 on Bioventix, accepting that perspectives on the infection have tended to be overtaken by rapidly changing events. Like many companies, we will be subject to the effects of COVID-19. Circumstances have changed quickly during the last few weeks and therefore we will limit our comments to some general observations that we believe to be accurate. In most affected countries, healthcare and associated products and services have been disrupted and so we expect that our customers will continue to operate and that we will continue to supply antibodies to them. Within the field of our customers in downstream in vitro diagnostics, it is possible that some routine diagnostic testing could be reduced as hospitals refocus towards virus-infected patients and this could have an impact on Bioventix into the future. Regarding our own activities in Farnham, the welfare of our staff is our top priority. We will be following Government guidelines on working practices which could result in staff shortages. During 2020, we will aim to maintain the production and supply of commercial SMAs to our customers. We have already implemented a raw material purchasing strategy that minimises the possibility of reagent supply shortages and we hold large stocks of final products which offers a degree of buffering against adverse effects.

In conclusion, we are encouraged by the performance for the current half-year and pleased with the continued success of our vitamin D antibody and core antibody business. We remain optimistic about our troponin revenues and the success of these high sensitivity troponin products around the world and we look forward to further progress in the second half of the year.

P Harrison

I J Nicholson

Chief Executive Officer

Non-Executive Chairman

For further information please contact:

Bioventix plc
Peter Harrison
Chief Executive Officer Tel: 01252 728 001

finnCap Ltd
Geoff Nash/Simon Hicks
Alice Lane
Corporate Finance
ECM Tel: 020 7220 0500

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 2019

	Six months ended 31 Dec 2019 £	Six months ended 31 Dec 2018 £
TURNOVER	5,098,588	4,364,665
Cost of sales	<u>(393,673)</u>	<u>(438,160)</u>
GROSS PROFIT	4,704,915	3,926,505
Administrative expenses	(643,819)	(655,873)
Share option charge	(67,294)	(67,294)
Difference on foreign exchange	80,258	24,680
Research & development tax credit adjustment	5,369	8,319
	<hr/>	<hr/>
OPERATING PROFIT	4,079,429	3,236,337
Interest receivable	17,521	9,662
Interest payable	<u>(0)</u>	<u>(0)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,096,950	3,245,999
Tax on profit on ordinary activities	<u>(669,223)</u>	<u>(499,183)</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>3,427,727</u>	<u>2,746,816</u>
Earnings per share for the period:		
Basic	69.28p	53.44p
Diluted	68.14p	52.54p

BIOVENTIX PLC
BALANCE SHEET
as at 31 December 2019

	31 Dec 2019	31 Dec 2018
	£	£
FIXED ASSETS		
Intangible fixed assets	0	0
Tangible fixed assets	718,921	524,761
Investments	<u>579,375</u>	<u>388,377</u>
	1,298,296	913,138
CURRENT ASSETS		
Stocks	219,007	258,814
Debtors	3,648,303	3,368,057
Cash at bank and in hand	<u>5,530,539</u>	<u>5,456,257</u>
	9,397,849	9,083,128
CREDITORS: amounts falling due within one year	(940,209)	(797,616)
	<u>8,457,640</u>	<u>8,285,512</u>
NET CURRENT ASSETS	<u>8,457,640</u>	<u>8,285,512</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	9,755,936	9,198,650
PROVISIONS FOR LIABILITIES		
Deferred Tax	63,020	31,989
NET ASSETS	<u>9,692,916</u>	<u>9,166,661</u>
CAPITAL AND RESERVES		
Called up share capital	257,134	257,034
Share premium account	435,908	414,608
Capital redemption reserve	1,231	1,231
Profit and loss account	<u>8,998,643</u>	<u>8,493,788</u>
SHAREHOLDERS' FUNDS	<u>9,692,916</u>	<u>9,166,661</u>

BIOVENTIX PLC
STATEMENT OF CASH FLOWS
for the six month period ended 31 December 2019

	31 Dec 2019 £	31 Dec 2018 £
CASHFLOW FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Profit for the financial year	3,427,727	2,746,816
Depreciation of tangible fixed assets	57,391	30,349
Interest received	(17,521)	(9,662)
Taxation	192,597	(90,014)
Decrease / (increase) in stocks	20,288	24,276
Decrease / (increase) in debtors	285,612	448,733
(Decrease) /increase in creditors	28,574	63,281
Share option charge	67,294	67,294
Other tax movements	<u>(5,369)</u>	<u>(8,319)</u>
Net cash generated from operating activities	<u>4,056,593</u>	<u>3,272,754</u>
 Cash flows from investing activities		
Purchase of tangible fixed assets	(261,492)	(57,307)
Interest received	17,521	9,662
Purchase of unlisted and other investments	<u>(190,998)</u>	<u>(96,953)</u>
Net cash from investing activities	<u>(434,969)</u>	<u>(144,598)</u>
 Cash flows from financing activities		
Issue of ordinary shares	0	100
Movement on share premium account	0	19,500
Dividends paid	(4,628,407)	(4,678,013)
Interest paid	(0)	(0)
Net cash used in financing activities	<u>(4,628,407)</u>	<u>(4,658,413)</u>
Cash and cash equivalents at the beginning of the year	6,537,322	6,986,514
Cash and cash equivalents at the end of the year	5,530,539	5,456,257
 Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	5,530,539	5,456,257

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 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 year 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.

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

BIOVENTIX PLC

Notes to the financial information

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 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.

3.6 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.

3.7 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.

3.8 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 three 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.

BIOVENTIX PLC

Notes to the financial information

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3.14 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.

3.15 Research and development

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

BIOVENTIX PLC

Notes to the financial information

3.16 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.

3.17 Interest income

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

3.18 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 year 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.

3.19 Current and deferred taxation

The tax expense for the year 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.

