

Bioventix plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

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 2014.

HIGHLIGHTS

- **Turnover:** £1.93M (+28%; H2 2013: £1.51M)
- **Profit before tax:** £1.26M (+31%; H2 2013: £0.96M)
- **Profit after tax:** £1.07M (+32%; H2 2013:£0.81M)
- **Cash at 31 Dec:** £3.80M (+0.92M; 2013: £2.88M)
- **Interim dividend per share:** 11p (+15%; March 2013: 9.6p)

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to report the interim results for the half-year ended 31 December 2014. Revenues for the half-year period of £1.93M (H2 2013:£1.51M) were up 28% and profits after tax have increased by 32% for the comparable period in the previous year.

The core business has remained robust with additional growth coming from our vitamin D antibody vitD3.5H10. We have reported previously on our positive outlook for vitD3.5H10 and 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. More customer product launches have now taken place in the valuable US market and this has been a significant contributing factor such that this vitamin D antibody has now become the largest revenue stream for the Company.

Over the last few years, there has been significant growth in the volume of vitamin D tests at hospitals and clinics in the USA and in other countries around the world. This growth has naturally followed medical research over the last decade or so that has clearly linked low vitamin D levels with not only bone fractures but also other key health measures such as heart disease, stroke, cancer – and indeed overall mortality.

Many experts believe that the weight of this evidence supports the testing of “at risk” patients and the vitamin D supplementation of those patients who are shown to be deficient. However, there are also other experts in the field who argue that this strategy of vitamin D testing and supplementation has not yet actually been demonstrated to be of overall patient benefit. There is ongoing research around the world to investigate this area of medicine further and those involved in the vitamin D field – such as Bioventix – will continue to monitor the evolution of the science with interest.

Despite the lack of a complete consensus in the area of vitamin D science, we remain optimistic that revenues from vitD3.5H10 will continue to grow as more vitD3.5H10 based products reach the market.

Cash flows remained strong and have increased significantly to £3.8M at 31 December 2014 (2013: £2.88M) despite increased dividend payments during 2014.

During 2014, total dividend payments of 24p were paid (9.6p plus 14.4p, first and second interim payments). This represented a significant increase over the 14.4p total paid in 2013. Over the previous years, the Board has followed a cautious dividend policy that embraces continuity in the absence of special dividends and it is the intention of the Board to continue with this policy into the future, albeit from the higher base level set in 2014.

Accordingly, we are pleased to announce a first interim dividend payment of 11p representing a 15% increase from the equivalent period in 2014.

The shares will be marked ex dividend on 9 April 2015 and the dividend will be paid on 24 April 2015 to shareholders on the register at close of business on 10 April 2015.

The Company has enjoyed continued success during the first half of the year and we would like to take this opportunity to thank all the operating staff for their contribution to this result.

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 2014

	Six months ended 31 Dec 2014 £	Six months ended 31 Dec 2013 £
TURNOVER	1,925,249	1,507,329
Cost of sales	<u>(202,221)</u>	<u>(167,512)</u>
GROSS PROFIT	1,723,028	1,339,817
Administrative expenses	<u>(466,732)</u>	<u>(383,880)</u>
OPERATING PROFIT	1,256,296	955,937
Interest receivable	1,282	19,368
Interest payable	<u>(1,874)</u>	<u>(0)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,255,704	975,305
Tax on profit on ordinary activities	<u>(189,270)</u>	<u>(169,656)</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>1,066,434</u>	<u>805,649</u>
Earnings per share for the period:		
Basic	21.15p	16.03p
Diluted	20.79p	16.03p

BIOVENTIX PLC
BALANCE SHEET
as at 31 December 2014

	31 Dec 2014	31 Dec 2013
	£	£
FIXED ASSETS		
Intangible fixed assets	0	0
Tangible fixed assets	413,312	428,550
	<u>413,312</u>	<u>428,550</u>
CURRENT ASSETS		
Stocks	176,151	156,782
Debtors	1,487,374	1,383,692
Cash at bank and in hand	3,795,449	2,878,618
	<u>5,458,974</u>	<u>4,419,092</u>
CREDITORS: amounts falling due within one year	(266,479)	(268,894)
	<u>5,192,495</u>	<u>4,150,198</u>
NET CURRENT ASSETS	<u>5,192,495</u>	<u>4,150,198</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	5,605,807	4,578,748
PROVISIONS FOR LIABILITIES		
Deferred Tax	17,364	(5,481)
NET ASSETS	<u>5,623,171</u>	<u>4,573,267</u>
CAPITAL AND RESERVES		
Called up share capital	252,546	251,269
Share premium account	78,426	-
Capital redemption reserve	1,231	1,231
Profit and loss account	5,290,968	4,320,767
SHAREHOLDERS' FUNDS	<u>5,623,171</u>	<u>4,573,267</u>

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CASH FLOW STATEMENT
for the six month period ended 31 December 2014

	31 Dec 2014 £	31 Dec 2013 £
NET CASHFLOW FROM OPERATING ACTIVITIES		
Operating profit	1,256,296	955,937
Amortisation of intangible assets	-	10,000
Depreciation of tangible fixed assets	9,088	10,217
Increase in stocks	(12,044)	(8,252)
Decrease/(increase) in debtors	332,978	(54,330)
(Decrease) in creditors	(18,965)	(44,053)
Share option charge	<u>25,945</u>	-
Net cash inflow from operating activities	<u>1,593,298</u>	<u>869,519</u>
Net cash inflow from operating activities	1,593,298	869,519
Returns on investments & servicing of finance	(591)	19,368
Taxation	(440,706)	(158,567)
Capital expenditure & financial investment	(2,660)	-
Equity dividends paid	(726,365)	(437,208)
Financing	<u>20,994</u>	-
Increase in cash	<u>443,970</u>	<u>293,112</u>
Net funds at 1 July 2014	3,351,479	2,585,506
Net funds at 31 December 2014	<u>3,795,449</u>	<u>2,878,618</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 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

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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 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.

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Notes to the financial information

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.

3.10 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.