Bioventix plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

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 2015.

HIGHLIGHTS

- **Turnover:** **£2.37M (H2 2014: £1.93M)**
- **Profit before tax:** **£1.67M (H2 2014: £1.26M)**
- **Profit after tax:** **£1.40M (H2 2014:£1.07M)**
- **Cash at 31 Dec:** **£4.61M (2014: £3.80M)**
- **Interim dividend per share:** **16.5p (March 2014: 11p)**

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to report the interim results for the half-year ended 31 December 2015. Revenues for the half-year period of £2.37M (H2 2014:£1.93M) were up 23% and profits after tax have increased by 31% for the comparable period in the previous year.

In line with expectations, the core business has remained robust with additional growth coming from our vitamin D antibody vitD3.5H10. Revenue from this product – now our leading source of revenue - has continued to grow from antibody sales and from royalties as customer products (assays for vitamin D deficiency) reach markets around the world. The "roll-out" of our customers' vitamin D products which tend to launch initially in the EU and later in the US has continued and is advanced. Nevertheless, we still anticipate additional modest growth from a few additional customers over the next year or so.

Autumn 2017 is outside the current reporting period. However, in 18 months' time, around 15% of the company's revenue will be lost due to the expiry of payments relating to one of our first license agreements. The timing of this expiry is coincident with the expected launch of a high sensitivity troponin assay for heart attack diagnostics that uses Bioventix antibodies. The timing of our customer's troponin product launch is a matter under their control but our understanding is that launch could take place during 2017, most likely in the EU market first. Our expectation at this time is that the dynamics of the revenue shift from these two events will not adversely affect sales growth or dividend distribution. We will report again on this important issue later in the year.

Cash flows remained strong and have increased significantly to £4.61M at 31 December 2015 (2014: £3.80M) despite markedly increased dividend payments during 2015.

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. We are able to announce a first interim dividend of 16.5p (2015: 11p). The shares will be marked ex-dividend on 7th April and become payable on 22nd April to all shareholders on the register at the close of business on the 8th April. This represents a similar step increase as was reported for the dividend paid in Autumn 2015 (21.6p) compared to Autumn 2014 (14.4p). Taken together these two recent payments total 36p and represent a new base level from which future dividends will be considered.

During the reporting period, we developed our relationship with CardiNor AS, a new company that has evolved out of Akershus University Hospital and the University of Oslo. CardiNor has been set up to continue the validation of the novel cardiac biomarker secretoneurin and to demonstrate the utility of secretoneurin in the field of heart diagnostics, and to handle the commercialisation process. Whilst working in the field of an unproven diagnostic biomarker represents a higher risk if compared to established biomarkers in current use, we are impressed by the quality of the basic research within the University and hospital groups in Norway. Over the last year or so, we have made some excellent antibodies that we believe will be helpful in creating an assay for the research market that will help elucidate the utility of secretoneurin.

In our view, the CardiNor collaboration has great merit as it combines the excellent research of the Norwegian groups together with the antibody and assay expertise of Bioventix. We believe this to be a good use of the Company’s scientific and financial resources.

There have been no significant staff changes during the reporting period. The output of the lab in terms of antibody creation, antibody production and technology development has been of the usual high standard 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 2015

	Six months ended 31 Dec 2015 £	Six months ended 31 Dec 2014 £
TURNOVER	2,370,841	1,925,249
Cost of sales	(259,132)	(202,221)
GROSS PROFIT	2,111,709	1,723,028
Administrative expenses	(444,912)	(466,732)
OPERATING PROFIT	1,666,797	1.256,296
Interest receivable	3,393	1,282
Interest payable	(2,083)	(1,874)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,668,107	1,255,704
Tax on profit on ordinary activities	(270,281)	(189,270)
PROFIT FOR THE FINANCIAL PERIOD	1,397,826	1,066,434

Earnings per share for the period:

Basic	27.84p	21.15p
Diluted	27.36p	20.79p

BIOVENTIX PLC
BALANCE SHEET
as at 31 December 2015

	31 Dec 2015 £	31 Dec 2014 £
FIXED ASSETS		
Intangible fixed assets	0	0
Tangible fixed assets	470,541	413,312
Investments	411	0
	470,952	413,312
CURRENT ASSETS		
Stocks	181,597	176,151
Debtors	2,013,504	1,487,374
Cash at bank and in hand	4,611,800	3,795,449
	6,806,901	5,458,974
CREDITORS: amounts falling due within one year	(343,063)	(266,479)
NET CURRENT ASSETS	6,463,838	5,192,495
TOTAL ASSETS LESS CURRENT LIABILITIES	6,934,790	5,605,807
PROVISIONS FOR LIABILITIES		
Deferred Tax	17,897	17,364
NET ASSETS	6,916,893	5,623,171
CAPITAL AND RESERVES		
Called up share capital	252,546	252,546
Share premium account	78,426	78,426
Capital redemption reserve	1,231	1,231
Profit and loss account	6,584,690	5,290,968
SHAREHOLDERS' FUNDS	6,916,893	5,623,171

BIOVENTIX PLC
CASH FLOW STATEMENT
for the six month period ended 31 December 2015

	31 Dec 2015 £	31 Dec 2014 £
NET CASHFLOW FROM OPERATING ACTIVITIES		
Operating profit	1,666,797	1,256,296
Amortisation of intangible assets	-	-
Depreciation of tangible fixed assets	18,396	9,088
Decrease in stocks	11,373	(12,044)
Decrease/(increase) in debtors	72,866	332,978
(Decrease) in creditors	(35,045)	(18,965)
Share option charge	25,945	25,945
Net cash inflow from operating activities	1,760,332	1,593,298
Net cash inflow from operating activities	1,760,332	1,593,298
Returns on investments & servicing of finance	1,310	(591)
Taxation	(187,917)	(440,706)
Capital expenditure & financial investment	(1,545)	(2,660)
Equity dividends paid	(1,091,001)	(726,365)
Financing	-	20,994
Increase in cash	481,179	443,970
Net funds at 1 July 2015	4,130,622	3,351,479
Net funds at 31 December 2015	4,611,800	3,795,449

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.

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.