Bioventix plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

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 2016.

HIGHLIGHTS

- **Turnover:** **+ 32% to £3.12M (H2 2015: £2.37M)**
- **Profit before tax:** **+49% to £2.48M (H2 2015: £1.67M)**
- **Profit after tax:** **+41% to £1.98M (H2 2015:£1.40M)**
- **Cash at 31 Dec:** **+0.54M to £5.15M (2015: £4.61<)**
- **Interim dividend per share:** **+21% to 20p (March 2016: 16.5p)**

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to report the interim results for the half-year ended 31 December 2016. Revenues for the half-year period of £3.12M (H2 2015:£2.37M) were up 32% and profits before tax of £2.48M (H2 2015 £1.67M) were up 49% for the comparable period in the previous year.

Revenue growth compared to the comparable half year has come from our vitamin D antibody (vitD3.5H10) in the form of increased physical antibody sales and royalties. The roll out of our customer's vitamin D assay products has advanced further towards completion.

As mentioned in our last report in October 2016, Bioventix revenues arriving in global currencies converted at post-Brexit referendum exchange rates give an uplift in reported sterling revenues of 15-20% as no hedging mechanisms are employed. The 2015/16 annual accounts featured such an effect for 1H.2016 compared to 1H.2015 and a similar effect accounts for some of the growth in the reporting period – 2H.2016 compared to 2H.2015.

Shipments to China have continued at a high frequency with the majority of antibodies being used for R&D purposes. Whilst revenues from China remain modest, we remain optimistic that our antibodies are proving to be successful.

Cash flows remained strong and our cash balance increased significantly to £5.15M at 31 December 2016 (2015: £4.61M).

Future developments

We reported in October on the progress of our troponin partner Siemens Healthcare Diagnostics and a high sensitivity troponin test which features a Bioventix-created antibody. Whilst the exact timing of a Siemens product launch is confidential Siemens information and will be dependent on their discussions with global regulatory authorities, the Board expects to hear news later in 2017 relating to their ex-US activities. Significant troponin revenues during the financial year 2017/2018 are expected to offset the loss of revenues of around £800,000 from another product due to the expiry of the relevant agreement.

Dividend Policy

The Board continues to follow a progressive dividend policy that embraces continuity. For the current half-year, the Board is pleased to announce a first interim dividend of 20p which represents a 21% increase on the previous half-year.

The shares will be marked ex dividend on 6th April and the dividend will be paid on 21st April to shareholders on the register at close of business on 7th April.

Conclusion

We are delighted to be able to report such positive news for the current half-year. We are pleased with the continued success of our vitamin D antibody and remain optimistic about our troponin project and the success of Siemens as their product launches around the world.

P J Harrison
Chief Executive Officer

I J Nicholson
Non-Executive Chairman

BIOVENTIX PLC
STATEMENT OF COMPREHENSIVE INCOME
for the six month period ended 31 December 2016

	Six months ended 31 Dec 2016 £	Six months ended 31 Dec 2015 £
TURNOVER	3,124,841	2,370,841
Cost of sales	(217,820)	(259,132)
GROSS PROFIT	2,907,021	2,111,709
Administrative expenses	(445,919)	(444,912)
OPERATING PROFIT	2,461,102	1,666,797
Interest receivable	23,117	3,393
Interest payable	(253)	(2,083)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,483,966	1,668,107
Tax on profit on ordinary activities	(504,822)	(270,281)
PROFIT FOR THE FINANCIAL PERIOD	1,979,144	1,397,826

Earnings per share for the period:

Basic	39.01p	27.67p
Diluted	38.67p	27.20p

BIOVENTIX PLC
BALANCE SHEET
as at 31 December 2016

	31 Dec 2016 £	31 Dec 2015 £
FIXED ASSETS		
Intangible fixed assets	0	0
Tangible fixed assets	458,377	470,541
Investments	195,560	411
	653,937	470,952
CURRENT ASSETS		
Stocks	233,650	181,597
Debtors	2,612,288	2,013,504
Cash at bank and in hand	5,148,037	4,611,800
	7,993,975	6,806,901
CREDITORS: amounts falling due within one year	(631,703)	(343,063)
NET CURRENT ASSETS	7,362,272	6,463,838
TOTAL ASSETS LESS CURRENT LIABILITIES	8,016,209	6,934,790
PROVISIONS FOR LIABILITIES		
Deferred Tax	17,078	17,897
NET ASSETS	7,999,131	6,916,893
CAPITAL AND RESERVES		
Called up share capital	254,933	252,546
Share premium account	224,942	78,426
Capital redemption reserve	1,231	1,231
Profit and loss account	7,518,025	6,584,690
SHAREHOLDERS' FUNDS	7,999,131	6,916,893

BIOVENTIX PLC
STATEMENT OF CASH FLOWS
for the six month period ended 31 December 2016

	31 Dec 2016 £	31 Dec 2015 £
CASHFLOW FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Profit for the financial year	2,461,102	1,666,797
Amortisation of intangible assets	-	-
Depreciation of tangible fixed assets	18,215	18,396
Taxation	(414,747)	(187,917)
Increase / (increase) in stocks	(34,718)	11,373
Decrease in debtors	68,200	72,866
(Decrease) in creditors	(4,164)	(35,045)
Share option charge	9,094	25,944
Net cash generated from operating activities	2,102,982	1,572,414
Purchase of tangible fixed assets	(9,505)	(1,545)
Purchase of listed and other investments	(152,230)	0
Interest received	23,117	3,393
Net cash from investing activities	**(138,618)**	**1,848**
Cash flows from financing activities		
Issue of ordinary shares	2,387	0
Movement on share premium account	146,516	0
Dividends paid	(2,345,382)	(1,091,001)
Interest paid	(253)	(2,083)
Net cash used in financing activities	**(2,196,732)**	**(1,093,084)**
Cash and cash equivalents at the beginning of the year	5,380,405	4,130,622
Cash and cash equivalents at the end of the year	**5,148,037**	**4,611,800**
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	**5,148,037**	**4,611,800**

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 (FRS 102), the announcement does not itself contain sufficient information to comply with FRS 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 applicable accounting standards.

3.2 **Turnover**

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:

3.2.1 **Direct sales**

Direct sales are recognized at the date of dispatch.

3.2.2 **R&D income**

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

3.2.3 **Licence revenue**

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

3.3 **Intangible fixed assets and amortization**

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 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 Profit and loss account 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.

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 accounts receivable and payable, 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

3.11.1 Functional and presentation currency

The Company's functional and presentational currency is GBP.

3.11.2 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 Profit and loss account 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 **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 payments obligations.

3.16 **Interest income**

Interest income is recognised in the Profit and loss account 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.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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 balance sheet 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 Balance sheet 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 balance sheet date.

3.19 Research and development

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