Bioventix plc

("Bioventix" or "the Company")

Results for the year ended 30 June 2024

Bioventix plc (BVXP), a UK company specialising in the development and commercial supply of high-affinity monoclonal antibodies for applications in clinical diagnostics, announces its audited results for the year ended 30 June 2024.

Highlights:

- Revenue up 6% to £13.6 million (2023: £12.82 million)
- Profit before tax up 5% to £10.6 million (2023: £10.13 million)
- Cash at year end of £6.0 million (30 June 2023: £5.7 million)
- Second interim dividend of 87p per share (2023: 90p)
- Total dividends 155p per share (2023: 152p)

Introduction and Technology

Bioventix creates, manufactures and supplies high affinity sheep monoclonal antibodies (SMAs) for use in diagnostic applications. Bioventix antibodies are preferred for use when they confer an improved test performance compared to other available antibodies.

Most of our antibodies are used on blood-testing machines installed in hospitals and other laboratories around the world. Bioventix makes antibodies using our SMA technology for supply to diagnostic companies for subsequent manufacture into reagent packs used on blood-testing machines. These blood-testing machines are supplied by large multinational in vitro diagnostics (IVD) companies such as Roche Diagnostics, Siemens Healthineers, Abbott Diagnostics & Beckman Coulter. Antibody-based blood tests are used to help diagnose many different conditions including, amongst others, heart disease, thyroid function, fertility, infectious disease and cancer.

Testosterone is an example of a blood test where a Bioventix SMA has facilitated an improved test. In 2003, it became clear that testosterone tests performed on automated IVD platforms were deficient. Whilst the higher levels of testosterone in healthy adult males were accurately reported, the lower levels of testosterone in pre-pubescent boys and women were inaccurately reported. In 2005, Bioventix created an antibody called testo3.6A3 which was evaluated by customers during 2006. Evaluations were successful and following the necessary regulatory approvals, the first testosterone assays based on testo3.6A3 were launched in 2009. A number of IVD companies still use this antibody for revised tests that more accurately measure lower levels of testosterone.

Over the past 20 years, we have created and supplied approximately 25 different SMAs that are used by IVD companies around the world. We currently sell a total of 15-20 grams of purified physical antibody per year which accounts for 25-30% of our annual revenue. In addition to revenues from these physical antibody supplies, the sale by our customers of diagnostic products (based on our antibodies) to their downstream end-users attracts a modest percentage royalty payable to Bioventix. These downstream royalties currently account for the remaining 70-75% of our annual revenue.

Bioventix adopts one of two commercial approaches when creating new antibodies. The first is own-risk antibody creation projects which gives Bioventix the complete freedom to commercialise the antibodies produced. The second is contract antibody creation projects in partnership with customers who supply materials, know-how and funding and to create antibodies that can only be commercialised with the partner company. In both cases, after initiation of a new project, it takes around a year for our scientists to create a panel of purified antibodies for evaluation by our customers. The evaluation process at customers' laboratories generally requires the fabrication of prototype tests which can be compared to other tests, for example the customer's existing commercial test or perhaps another "gold standard" method, on the assay machine platform being considered. The process of subsequent development thereafter by our customers can take many years before registration or approval from the relevant authority, for example the US Food and Drug Administration (FDA), the Medicines and Healthcare products Regulatory Agency (MHRA), or EU authorities, is obtained and products can be sold to the benefit of the customers, and of course Bioventix, through the agreed sales royalty. This does mean that there is a lead time of 4-10 years between our own research work and the receipt by Bioventix of royalty revenue from product sales. However, because of the resource required to gain such approvals, after having achieved approval for an accurate diagnostic test using a Bioventix antibody, there is a natural incentive for continued antibody use. This results in a barrier to entry for potential replacement antibodies which would require at least partial repetition of the approval process arising on a change from one antibody to another. This barrier to antibody replacement arises from a combination of factors driven by the clinical criticality of the test and the potential consequences of making such a change which include the time and cost to register any changes required to validate the performance of the replacement antibody.

Another consequence of the lengthy approval process is that the revenue for the current accounting period is derived largely from antibodies created many years ago.

2023/2024 Financial Results

We are pleased to report our results for the financial year ended 30 June 2024. Revenues for the year increased by 6% to £13.6 million (2022/23: £12.8 million). Profits before tax for the year increased by 5% to £10.6 million (2022/23: £10.1million). Cash balances at the year-end were £6.0 million (30 June 2023 £5.7 million).

Our most significant revenue stream continues to come from the vitamin D antibody called vitD3.5H10. This antibody is used by a significant number of diagnostic companies around the world for use in vitamin D deficiency testing. Sales of vitD3.5H10 increased by 1% to £5.9 million which reflects analysts' expectation for a relatively mature global IVD market.

Sales of our other core historic antibodies are featured below with the respective percentage increase/decrease (+/-) in sales compared to the previous year 2022/23:

- T3 (tri-iodothyronine): £.1.38 million (+21%)
- biotins and biotin blockers: £1.14 million (+35%)
- progesterone: £0.63 million (-15%)
- estradiol: £0.52 million (-7%)
- testosterone: £0.33 million (-29%)
- drug-testing antibodies: £0.32 million (-21%)

During the year the Company became aware that, due to a customer error in the incorrect application of an historic royalty percentage, they had overreported and overpaid troponin royalty revenues since July 2021. Royalty revenues for the financial years 2021/22 and 2022/23 were overstated by £132k and £195k respectively. These amounts are immaterial in respect of each of the affected periods and therefore the Company is not required to restate the audited financial statements for those years, however the cumulative effect of a reduction of £327k in respect of such royalty revenue has been included in the financial statements for the current year to 30 June 2024.

After correctly allocating the revenue to each of the years 2023/24 and 2022/23 our total troponin antibody royalty revenue from Siemens Healthineers and another separate technology sub-license increased by 3% during the year from £1.41 million to £1.45 million. The level of these royalties and their growth are below our previous expectations based on downstream assumptions.

In contrast to the disappointment of troponin sales in the current application of acute chest pain (ie suspected heart attack in A&E centres), we are pleased to note that Siemens have received FDA approval for a revised label claim for their troponin assay that covers a new prognostic application. This enables troponin levels to be measured in "at risk" patients and/or patients who have already been diagnosed with a cardiac condition, whose troponin levels may now be measured to assess their impending risk of a future adverse cardiac event. This risk information can then be used to help clinicians consider additional diagnostic procedures or to review therapeutic alternatives. We expect that this new application will stimulate additional

troponin assay use and our associated royalties, thus increasing the market opportunity. As previously disclosed, Siemens troponin revenues will terminate for contractual reasons in June 2032.

Our shipments of physical antibody to China continued to increase. Some sales are made directly and some are made through five appointed distributors. More regulatory approvals for domestic Chinese customers using our antibodies have been registered leading to more significant flows of royalty payments flowing from these customers.

Chinese customers declare and pay royalties in arrears on a calendar year basis and we therefore have to accrue for such revenue, in both full year and interim results, basing our revenue expectation on previous experience. As a result of internal and external audit processes it was only in May 2024 that we received payment from a Chinese customer for the royalties earned in 2023 and therefore our revenue for 2023/24 has benefited by £239k from our prudent assessment of accrued royalty revenue in respect of previous periods.

The prospects for further short term growth in China are good. Longer term, price pressures and continued antibody technology development in China constitute an anticipated threat. In addition to this, the current global geopolitical climate has stimulated the desire for "on-shoring" supply chains and our Chinese customers are likely to be influenced by this trend.

Our research into Tau antibodies and Alzheimer's diagnostics continues to progress and we are delighted that our early work has now translated into a modest revenue stream from antibodies now entering commercial manufacture. Our commercial policy is to supply initial evaluation samples of antibodies free of charge. If antibodies perform well on prototype assay systems at our IVD customers and additional supplies are ordered, these are charged at regular prices and such repeat sales have generated revenues during the year. These revenues are not only additive but also indicate that our antibodies could feature in future commercial assays. In addition to our conventional IVD customers, we have also supplied antibodies to specialist platform customers, for example Quanterix Corporation who specialise in assays for the research market. The research market is established earlier than more regulated tests for routine clinical use

and it is pleasing that royalty revenues from such activities have already been established. Total Tau revenues for the year were above our expectation at £155k.

We estimate that 50-60% of our total sales are directly linked to US Dollars via physical product pricing in US Dollars or indirectly linked to US Dollars via royalties based on downstream US Dollar sales. The remainder of the currency split is dominated by Euros and important Asian currencies. Our view continues to be that hedging mechanisms would not, in the longer term,

add value and may have the potential to add risk to our business. Consequently, future movements in exchange rates may therefore affect our Sterling revenues.

Cash Flows and Dividends

As reported above, the performance of the business during the year generated cash balances at the year-end of £6.0 million and royalties received during quarter 3 of 2024 have added to this balance.

Increases in the rate of Corporation Tax from 19% to 25%, effective from 1 April 2023, have had a full year impact on profit after tax, EPS, cashflow and dividends for the year to 30 June 2024.

In consideration of our established dividend policy and the available cashflows, the Board is pleased to announce a second interim dividend of 87 pence per share which, when added to the first interim dividend of 68 pence per share makes a total of 155 pence per share for the current year.

Accordingly, a dividend of 87 pence per share will be paid in November 2024. The shares will be marked ex-dividend on 7 November 2024 and the dividend will be paid on 21 November 2024 to shareholders on the register at close of business on 8 November 2024.

Research and Future Developments

Over the last few years, a considerable amount of our laboratory resource has been allocated to the Tau project and Alzheimer's disease (AD) diagnostics. AD is a complex disease that manifests itself differently across the patient population. At a cellular level, nerve cells (neurons) become associated with amyloid (A) plaques that build up outside the neurons. This is followed by the build-up of Tau (T) tangles inside the neurons. These pathological processes then result in neuronal cell death and the symptoms of neurodegeneration (N) that accompany this. This "ATN" framework is used by neurologists to define the AD pathway that progresses many years before patient symptoms become more obvious.

Recently, the approval of first generation AD therapeutics (Lecanemab™ jointly developed by EISAI and Biogen and Donanemab™ from Eli Lilly) have changed the perception of AD therapy, and it is likely that second generation therapeutics, or combination therapies will further help to slow the disease process. Patients presenting early in the ATN pathway appear to benefit most from therapy. Therefore, ATN assessments can be used not only to screen for patients suitable for therapy but also for monitoring patients whilst on therapy.

The ATN status of patients can be defined with the use of PET scans using appropriate amyloid and/or Tau contrast agents together with other assays for biomarkers in cerebral spinal fluid. It would be highly desirable if such diagnostic procedures could be replaced or augmented with cheaper and more convenient blood tests.

Bioventix has been working with the University of Gothenburg since early 2020 to create new antibodies to Tau and to develop prototype assays for use in AD. The view of many neurological opinion leaders - and shared by our IVD customers - is that blood-testing machines will soon offer a panel of new neurological tests that will reveal information about patient brain health which will be useful for screening and therapy monitoring purposes.

We have supplied a number of major IVD companies with antibodies from our growing Tau antibody portfolio. It is encouraging that a small number of these companies have requested additional quantities of the antibodies supplied. Not only does this add modestly to our overall revenues but it also offers some encouragement that our antibodies will play some part in the future neurological panel offerings of our customers.

Whilst our major IVD customers' primary interest is in developing regulated tests for routine clinical use, expert neurology centres are already adopting "research use only" tests in advance of the availability of other tests through hospital-orientated IVD companies. Some of these R&D tests are run on Quanterix Corporation (Billerica, MA) machines and our partnership with Quanterix has resulted in one commercial R&D test for neurodegeneration (N) that uses an SMA and which has generated on-going royalty revenues.

Pre-Diagnostics (in Oslo) and their clinical collaborators have two amyloid beta assays based on Bioventix antibodies available for research use. A current focus for Pre-Diagnostics is ARIA (amyloid related imaging abnormality) which is an important side-effect of new anti-amyloid drugs for Alzheimer's. Pre-Diagnostics' assays relate to amyloid metabolism and could help screen for ARIA vulnerable patients, before or during treatment.

Our partners at CardiNor (also in Oslo) have continued with their work to try and identify the possible utility of secretoneurin in heart failure patients. This has not progressed successfully and CardiNor are currently restructuring both their operations and their financial position. We have accordingly taken the decision to write off the entire cost of our investment in CardiNor of £183k made between July 2016 and June 2020.

Our pyrene lateral flow system for industrial pollution biomonitoring is proceeding steadily as planned. We have now completed a second manufacturing batch of lateral flow cassettes and intend to conduct a field trial with firefighters during 2025. The follow-on project for benzene exposure has also progressed and lateral flow assay development has recently

commenced. Benzene exposure is known to be carcinogenic and is of relevance to the petroleum industry. An additional industrial pollution biomonitoring project featuring isocyanates (hazardous chemicals used in the manufacture of polyurethane paints and plastics) has also progressed well and lateral flow assay development is due to start early in 2025.

We have recently embarked on a new project focussing on sewage contamination of rivers and lakes. Drugs contained in sewage such as paracetamol and caffeine have each previously been used in research labs as a convenient surrogate marker of sewage in waterways. The project concept is to harness our experience with sandwich antibodies, lateral flow systems, together with phone app technology, to facilitate rapid riverside tests, the results of which can be uploaded, pooled and shared. This will allow for much greater intensity and geographical coverage of analysis that will be available to all the many interested parties. Antibodies have already been made for this application and lateral flow assay development is due to commence soon.

The industrial biomonitoring and water pollution projects have required significant external expenditure during the year of approximately £200k. As we develop the projects, we expect this expenditure to continue and grow modestly into the future. Using our cash resources to support the steady internal organic growth of our business has been a consistent feature of our strategy.

Future Strategy

We have previously identified diagnostic biomarkers that we believe suit our antibody technology and have found academic collaborators who have seen merit in working with Bioventix. The Tau project and our collaboration with the University of Gothenburg is an excellent example of this strategy and we will seek additional such opportunities in the future.

We will continue to rely on our core SMA antibody creation technology which consistently helps us to create superior antibodies for our research projects. We are also incorporating additional newer technologies where such technologies are helpful to us. We have successfully created novel "sandwich" assay formats for small molecules using a combination of primary SMA technology and a secondary synthetic "anti-complex" antibody created using the "antibody library" technology of a third party. We have recently created new sandwich systems for benzene and isocyanates (to be more precise, the urine metabolites of these chemicals) in addition to caffeine and paracetamol to add to previous successes with pyrene and THC/cannabis.

The Bioventix Team and Facility

The composition of the Bioventix team of 12 full-time equivalents (14 staff in total) has remained stable over the year facilitating excellent performance and know-how retention. This level of stability has formed an excellent base upon which we have been able to build our new products moving into the exciting new areas described above. We are very fortunate to have such a dedicated and loyal team and we are grateful to them for their continued enthusiastic input and support.

Nick McCooke has recently informed the Board that he wishes to step down as a Director of Bioventix plc and accordingly Nick will not be seeking re-appointment as a Director at the Company's forthcoming Annual General Meeting. The Board would like to acknowledge Nick's exceptional contribution to Bioventix plc since his appointment to the Board in January 2014. Nick's acumen, experience, independence of thought and wisdom are all highly valued by his fellow Directors and the business and have played a full part in the Company's progress and success over the last 10 years. We are very grateful to him and wish him a very happy retirement. As is described in the Nomination Committee report the Board will seek to appoint a further independent non-Executive Director in due course.

Conclusion and Outlook

We are pleased with our financial results for the year which we believe reflect steady growth in the use of our established products in more mature diagnostic markets. We remain very encouraged by the very early signs of success for our Tau/Alzheimer's antibodies and we look forward to more progress into the future.

For further information please contact:

Bioventix plc		**Tel: 01252 728 001**
Peter Harrison	Chief Executive Officer	
Cavendish (NOMAD and broker)		
Geoff Nash/Abigail Kelly	Corporate Finance	**Tel: 020 7220 0500**
Nigel Birks/Harriet Ward	ECM	

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	**2024**	*2023*
		£	*£*
Turnover	4	**13,606,584**	*12,816,225*
Cost of sales		**(925,527)**	*(828,410)*
Gross profit		**12,681,057**	*11,987,815*
Administrative expenses		**(1,994,691)**	*(1,768,950)*
Difference on foreign exchange		**(42,180)**	*(36,679)*
Research and development tax credit		**29,230**	*25,243*
Share option charge		**(89,223)**	*(174,080)*
Operating profit	5	**10,584,193**	*10,033,349*
Impairment charge on value of investments		**(183,306)**	-
Interest receivable and similar income	8	**201,962**	*101,094*
Profit before tax		**10,602,849**	*10,134,443*
Tax on profit	9	**(2,506,131)**	*(1,762,202)*
Profit for the financial year		**8,096,718**	*8,372,241*
Total comprehensive income for the year		**8,096,718**	*8,372,241*

Earnings per share:

	2024	*2023*
Basic (pence per share)	**155.12**	*160.63*
Diluted (pence per share)	**152.86**	*158.28*

The notes on pages 08 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2024

	Note		2024		*2023*
			£		*£*
Fixed assets					
Tangible assets	11		**477,997**		*575,726*
Investments	12		**426,733**		*610,039*
			904,730		*1,185,765*
Current assets					
Stocks	13	**615,345**		*565,366*	
Debtors: amounts falling due within one year	14	**6,211,919**		*5,814,761*	
Cash at bank and in hand	15	**5,998,953**		*5,715,819*	
		12,826,217		*12,095,946*	
Creditors: amounts falling due within one year	16	**(1,728,289)**		*(1,199,714)*	
Net current assets			**11,097,928**		*10,896,232*
Total assets less current liabilities			**12,002,658**		*12,081,997*
Provisions for liabilities					
Deferred tax	17	-	*(18,224)*		
			-		*(18,224)*
Deferred tax	17				

Net assets		**12,002,658**	*12,063,773*
Capital and reserves			
Called up share capital	18	**260,983**	*260,983*
Share premium account	19	**1,471,315**	*1,471,315*
Capital redemption reserve	19	**1,231**	*1,231*
Profit and loss account	19	**10,269,129**	*10,330,244*
		12,002,658	*12,063,773*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on:

Peter Harrison

Director

The notes on pages 08 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Called up share capital	**Share premium account**	**Capital redemption reserve**	**Profit and loss account**	**Total equity**
	£	**£**	**£**	**£**	**£**
At 1 July 2023	**260,983**	**1,471,315**	**1,231**	**10,330,244**	**12,063,773**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**8,096,718**	**8,096,718**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**

Total comprehensive income for the year	**-**	**-**	**-**	**8,096,718**	**8,096,718**
Contributions by and distributions to owners					
Dividends: Equity capital	**-**	**-**	**-**	**(8,247,056)**	**(8,247,056)**
Share option charge	**-**	**-**	**-**	**89,223**	**89,223**
Total transactions with owners	**-**	**-**	**-**	**(8,157,833)**	**(8,157,833)**
At 30 June 2024	**260,983**	**1,471,315**	**1,231**	**10,269,129**	**12,002,658**

	Called up share capital	**Share premium account**	**Capital redemption reserve**	**Profit and loss account**	**Total equity**
	£	**£**	**£**	**£**	**£**
At 1 July 2022	**260,467**	**1,332,471**	**1,231**	**10,226,981**	**11,821,150**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**8,372,241**	**8,372,241**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**8,372,241**	**8,372,241**
Contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**
Dividends: Equity capital	**-**	**-**	**-**	**(8,443,058)**	**(8,443,058)**

Shares issued during the year	**516**	**138,844**	**-**	**-**	**139,360**
Share option charge	**-**	**-**	**-**	**174,080**	**174,080**
Total transactions with owners	**516**	**138,844**	**-**	**(8,268,978**	**(8,129,618)**
At 30 June 2023	**260,983**	**1,471,315**	**1,231**	**10,330,244**	**12,063,773**

The notes on pages 08 to 24 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	2024	*2023*
	£	£
Cash flows from operating activities		
Profit for the financial year	**8,096,718**	*8,372,241*
Adjustments for:		
Depreciation of tangible assets	**113,636**	*129,227*
Interest received	**(201,962)**	*(101,094)*
Taxation charge	**2,506,131**	*1,762,202*
(Increase) in stocks	**(49,979)**	*(103,551)*
(Increase) in debtors	**(394,670)**	*(626,550)*
Increase/(decrease) in creditors	**83,019**	*(52,612)*
Corporation tax (paid)	**(2,081,287)**	*(1,751,587)*
Share option charge	**89,223**	*174,080*

Impairment of investment	**183,306**	-
Net cash generated from operating activities	**8,344,135**	*7,802,356*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(15,907)**	*(10,583)*
Interest received	**201,962**	*101,094*
Net cash from investing activities	**186,055**	*90,511*
Cash flows from financing activities		
Issue of ordinary shares	**-**	*139,360*
Dividends paid	**(8,247,056)**	*(8,443,058)*
Net cash used in financing activities	**(8,247,056)**	*(8,303,698)*
Net increase/(decrease) in cash and cash equivalents	**283,134**	*(410,831)*
Cash and cash equivalents at beginning of year	**5,715,819**	*6,126,650*
Cash and cash equivalents at the end of year	**5,998,953**	*5,715,819*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**5,998,953**	*5,715,819*
	5,998,953	*5,715,819*

The notes on pages 08 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. General information

Bioventix Plc (04923945) is a public limited company registered in England and Wales. The Registered Office is 27-28 Eastcastle Street, London, W1W 8DH.

1.1 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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

Direct sales are generally recognised at the date of dispatch unless contractual terms with customers state that risk and title pass on delivery of goods, in which case revenue is recognised on delivery.

R&D income

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

Licence revenue and royalties

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

2. Accounting policies (continued)

2.3 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.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 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 profit or loss 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.

2.6 Current and deferred taxation

Current and deferred tax are recognised as an expense or income in the Statement of Comprehensive Income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity. 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 reporting 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.

2. Accounting policies (continued)

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.

2.7 Research and development

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

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful live

Freehold property	-	2% straight line

Plant and equipment	-	15% straight line
Motor Vehicles	-	25% straight line
Fixtures & Fittings	-	15% straight line
Equipment	-	25% straight line

2.9 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.

2.10 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.

2.11 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.

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made. Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties. Increases in provisions are generally charged as an expense to profit or loss.

2.17 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the

2. Accounting policies (continued)

2.17 Financial instruments (continued)

present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.18 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.

2.19 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. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies (as described in note 2), management is required to make judgments, estimates and assumptions. These estimates and underlying assumptions are reviewed on an ongoing basis.

Carrying value of Unlisted investments

The Company holds two unlisted investments in companies carrying out research in identifying biomarkers for diagnosing health conditions. The directors have reviewed the progress of this research over the last year. In common with much scientific research there is uncertainty, both in relation to the science and to the commercial outcome, and no information to be able to reliably calculate a fair value for these investments.

An impairment provision against the value of the investment in shares of CardiNor AS has been made in the year ended 30 June 2024 following notification of that company's intention to file for bankruptcy received on 11th July 2024. Subsequently CardiNor AS has raised further equity thereby substantially diluting existing shareholdings and has also stated its intention to further dilute shareholdings by the conversion of debt into equity. The Impairment charge is shown in the Statement of comprehensive income and the carrying value of investments in Note 12 to the accounts.

The carrying value of the remaining investment will continue to be historic cost.

Royalty Revenue Accrual

The Company is notified and receives royalty revenue from one customer on a calendar year basis annually in arrears it is therefore necessary to estimate this revenue for the first 6 months of the calendar year and process an accrual in respect of it.

Valuation of Share based payments

The Company operates two share option schemes: an Approved EMI Share Option Scheme and an Unapproved Share Option Scheme. In calculating the charge to profit or loss in respect of options granted to employees under these schemes the Company has applied the requirements of FRS 102 which includes making estimates for both the expected volatility of the Company's shares and the risk free interest rate the details of which are shown in Note 21 to the accounts.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	*2023*
	£	*£*
Product revenue and R&D income	**4,459,290**	*4,232,829*
Royalty and licence fee income	**9,147,294**	*8,583,396*
	13,606,584	*12,816,225*

	2024	*2023*
	£	*£*
United Kingdom	**405,455**	*961,904*
Other EU	**1,507,551**	*1,604,187*
Rest of the world	**11,693,578**	*10,250,134*
	13,606,584	*12,816,225*

5. Operating profit

The operating profit is stated after charging:

	2024	*2023*
	£	*£*
Depreciation of tangible fixed assets	**113,636**	*129,227*

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**32,500**	*25,000*
Exchange differences	**42,180**	*36,679*
Research and development costs	**999,418**	*1,201,398*

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2024	*2023*
	£	*£*
Wages and salaries	**1,153,004**	*1,001,959*
Social security costs	**138,056**	*119,075*
Share option charge	**89,223**	*174,080*
Cost of defined contribution scheme	**91,692**	*71,513*
	1,471,975	*1,366,627*

The average monthly number of employees, including the directors, during the year was as follows:

	2024	*2023*
	No.	*No.*
Management and administration	**6**	*5*
Scientific	**11**	*11*
	17	16

7. Directors' remuneration

	2024	2023
	£	£
Directors' emoluments	**537,847**	*412,059*
Company contributions to defined contribution pension schemes	**50,815**	*36,890*
	588,662	*448,949*

During the year retirement benefits were accruing to 1 director *(2023 - 1)* in respect of de fined contribution pension schemes.

8. Interest receivable

	2024	2023
	£	£
Other interest receivable	**201,962**	*101,094*

9. Taxation

	2024	*2023*
	£	*£*
Corporation tax		
Current tax on profits for the year	**2,526,844**	*1,788,254*
Deferred tax		
Origination and reversal of timing differences	**(20,713)**	*(26,052)*
Taxation on profit on ordinary activities	**2,506,131**	*1,762,202*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2023 - lower than)* the standard rate of corporation tax in the UK of 25% *(2023 - 25%)*. The differences are explained below:

	2024	*2023*
	£	*£*
Profit on ordinary activities before tax	**10,602,849**	*10,134,444*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 25%)	**2,650,712**	*2,533,611*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**381**	*341*

Capital allowances for year in excess of depreciation	**22,493**	*27,289*
Amounts written off investments	**45,827**	-
Research and development tax credit	**(214,875)**	*(356,784)*
Share based payments	**22,306**	*(23,222)*
Deferred tax movement	**(20,713)**	*(26,052)*
Change in tax rate during the year	**-**	*(392,981)*
Total tax charge for the year	**2,506,131**	*1,762,202*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2024	*2023*
	£	*£*
Dividends paid 158 pence per share (2023:162 pence per share)	**8,247,056**	*8,443,058*
	8,247,056	*8,443,058*

11. Tangible fixed assets

	Freehold property	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Office Equipment
	£	£	£	£	£
Cost or valuation					
At 1 July 2023	**475,000**	**479,527**	**13,090**	**407,115**	**39,525**
Additions	**-**	**10,586**	**-**	**5,321**	**-**
At 30 June 2024	**475,000**	**490,113**	**13,090**	**412,436**	**39,525**
Depreciation					
At 1 July 2023	**156,750**	**382,026**	**8,182**	**263,594**	**27,979**
Charge for the year on owned assets	**7,125**	**41,490**	**3,273**	**56,754**	**4,994**
At 30 June 2024	**163,875**	**423,516**	**11,455**	**320,348**	**32,973**
Net book value					
At 30 June 2024	**311,125**	**66,597**	**1,635**	**92,088**	**6,552**
At 30 June 2023	*318,250*	*97,501*	*4,908*	*143,521*	*11,546*

11. Tangible fixed assets

	Freehold property	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Office Equipment
	£	£	£	£	£
Cost or valuation					
At 1 July 2023	**475,000**	**479,527**	**13,090**	**407,115**	**39,525**
Additions	**-**	**10,586**	**-**	**5,321**	**-**
At 30 June 2024	**475,000**	**490,113**	**13,090**	**412,436**	**39,525**
Depreciation					
At 1 July 2023	**156,750**	**382,026**	**8,182**	**263,594**	**27,979**
Charge for the year on owned assets	**7,125**	**41,490**	**3,273**	**56,754**	**4,994**
At 30 June 2024	**163,875**	**423,516**	**11,455**	**320,348**	**32,973**
Net book value					
At 30 June 2024	**311,125**	**66,597**	**1,635**	**92,088**	**6,552**
At 30 June 2023	*318,250*	*97,501*	*4,908*	*143,521*	*11,546*

11. Tangible fixed assets (continued)

	Total
	£
Cost or valuation	
At 1 July 2023	**1,414,257**
Additions	**15,907**
At 30 June 2024	**1,430,164**
Depreciation	
At 1 July 2023	**838,531**
Charge for the year on owned assets	**113,636**
At 30 June 2024	**952,167**
Net book value	
At 30 June 2024	**477,997**
At 30 June 2023	*575,726*

Included within land and buildings is freehold land at cost of £118,750 which is not depreciated. (2023 - £118,750).

12. Fixed asset investments

	Unlisted Investments
	£
Cost or valuation	
At 1 July 2023	**610,039**
Impairment	**(183,306)**
At 30 June 2024	**426,733**

The value of the investment in shares of CardiNor AS was written down to nil off following notification of that company's intention to file for bankruptcy which was received on 11th July 2024.Subsequently CardiNor AS has raised further equity thereby substantially diluting existing shareholdings and has also stated its intention to further dilute shareholdings by the conversion of debt into equity.

13. Stocks

	2024	*2023*
	£	*£*
Finished goods and goods for resale	**615,345**	*565,366*

14. Debtors

	2024	2023
	£	£
Trade debtors	**1,521,963**	*1,170,512*
Other debtors	**26,375**	*501*
Prepayments and accrued income	**4,661,092**	*4,643,748*
Deferred taxation	**2,489**	-
	6,211,919	*5,814,761*

15. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	**5,998,953**	*5,715,819*

16. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**169,982**	*77,725*
Corporation tax	**1,154,816**	*709,259*
Other taxation and social security	**28,428**	*76,298*
Accruals and deferred income	**375,063**	*336,432*

	1,728,289	*1,199,714*

17. Deferred taxation

	2024	*2023*
	£	*£*
At beginning of year	**(18,224)**	*(44,276)*
Charged to profit or loss	**20,713**	*26,052*
At end of year	**2,489**	*(18,224)*

The deferred taxation balance is made up as follows:

	2024	*2023*
	£	*£*
Accelerated capital allowances	**2,489**	*(18,224)*
	2,489	*(18,224)*

18. Share capital

	2024	*2023*
	£	*£*
Allotted, called up and fully paid		
5,219,656 *(2023 - 5,219,656)* Ordinary shares of £0.05 each	**260,983**	*260,983*

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. Reserves

Share premium account

The share premium reserve contains the premium arising on issues of equity shares, net of issue expenses.

Capital redemption reserve

The capital redemption arose on the buy-back of shares by the company.

Profit & loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Share-based payments

During the year the company operated 2 share option schemes; an Approved EMI Share Option Scheme and an Unapproved Share Option Scheme to incentivise employees.

The company has applied the requirements of FRS 102 Section 26 Share-based Payment to all the options granted under both schemes. The terms for granting share options under both schemes are the same and provide for an option price equal to the market value of the Company's shares on the date of the grant and for the Approved EMI Share Option Scheme this price is subsequently agreed with HMRC Shares and Assets Valuation Division.

The contractual life of an option under both schemes is 10 years from the date of grant. Options granted become exercisable on the third anniversary of the date of grant. Exercise of an option is normally subject to continued employment, but there are also considerations for good leavers. All share based remuneration is settled in equity shares.

	Weighted average exercise price (pence) 2024	**Number 2024**	Weighted average exercise price (pence) 2023	Number 2023
Outstanding at the beginning of the year	3544	77,281	2896	51,997
Granted during the year	-	-	3855	39,708
Forfeited during the year	-	-	3855	(4,101)
Exercised during the year	-	-	1350	(10,323)
Outstanding at the end of the year	**3544**	**77,281**	3544	**77,281**

	2024	*2023*
Option pricing model used	**Black Scholes**	*Black Scholes*
Issue price	**£13.50-£38.50**	*£13.50-£38.50*
Exercise price (pence)	**£13.50-£38.50**	*£13.50-£38.50*
Option life	**10 years**	*10 years*
Expected volatility	**7.459%**	*7.459%*

Fair value at measurement date	**£4.66 - £26.91**	*£4.66 - £26.91*
Risk-free interest rate	**1.5%**	**1.5%**

20. Share-based payments (continued)

The expected volatility for the options issued in the year to 30 June 2023 was based upon the volatility over that 12 month period.

For previous years it was based upon the historical volatility over the period since the Company's shares were listed on AIM.

The expense recognised for share-based payments during the year ended 30 June 2024 was £89,223 (2023 : £174,080).

The number of staff and officers holding share options at 30 June 2024 was 16 (2023: 16). The share options have been issued to underpin staff service conditions.

21. Earnings per share

The weighted average number of shares in issue for the basic earnings per share calculation is 5,219,656 (2023: 5,212,220) and for the diluted earnings per share, assuming the exercise of all share options is 5,296,937 (2023: 5,289,501).

The calculation of the basic earnings per shares is based on the profit for the period of £10,585,108 (2023: £8,372,241) divided by the weighted average number of shares in issue of 5,219,656 (2023: 5,212,220), the basic earnings per share is 155.12p (2023: 160.63p). The diluted earnings per share, assuming the exercise of all of the share options is based on 5,296,937 (2023: 5,289,501) shares and is 152.86p (2023: 158.28p).

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £91,692 (2023: £71,512). No contributions were owing at the year end (2023: £nil).

23. Related party transactions

During the year a dividend of £525,199 (2023: £775,764) was paid to a director and his wife.

24. Controlling party

During the year there has not been an individual controlling party.