Bioventix PLC
Registered number 04923945

Annual report and financial statements

For the year ended
30 June 2021

Bioventix

Company Information

Directors
Peter Harrison
Ian Nicholson
Nick McCooke
Bruce Hiscock

Company secretary
Cargil Management Services Limited

Registered number
04923945

Registered office
27–28 Eastcastle Street London
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Independent auditors
James Cowper Kreston
Chartered Accountants & Statutory Auditor
Reading Bridge House
George Street Reading Berkshire
RG1 8LS

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Chairman and Chief Executive's statement

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.

The majority of our antibodies are used on blood-testing machines installed in hospitals and other laboratories around the world. Bioventix makes antibodies using its 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 and 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.

Over the past 17 years, we have created and supplied approximately 20 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, the vast majority of which is exported. In addition to revenues from 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 approximately 60–70% of our annual revenue. Physical antibody sales and royalty revenues from our multinational customers are made in either US dollars or Euros.

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 creates 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 reagent packs 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) 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

"Over the past 17 years, we have created and supplied approximately 20 different SMAs that are used by IVD companies around the world."

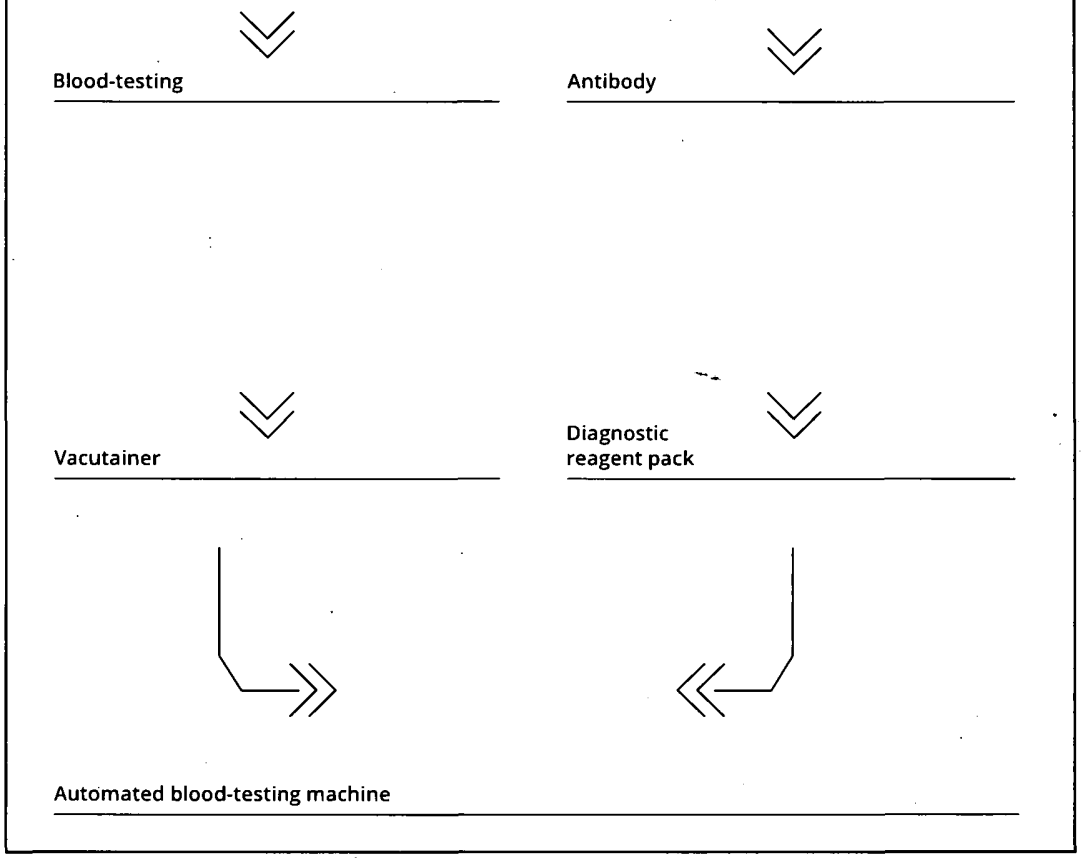
approvals, after having achieved approval for an accurate diagnostic test using a Bioventix antibody, there is a natural incentive for continued antibody use. This results in a barrier to entry for potential replacement antibodies, which would require at least partial repetition of the approval process arising on a change from one antibody to another.

Another consequence of the lengthy approval process is that the antibodies discussed in the revenue review of the current accounting period were created many years ago. Indeed, growth over the next few years from, for example the troponin antibodies, will come from research work carried out many years ago. By the same dynamics, the current research work active at our laboratories now is more likely to influence sales in the period 2025 to 2035.

Antibodies and blood testing

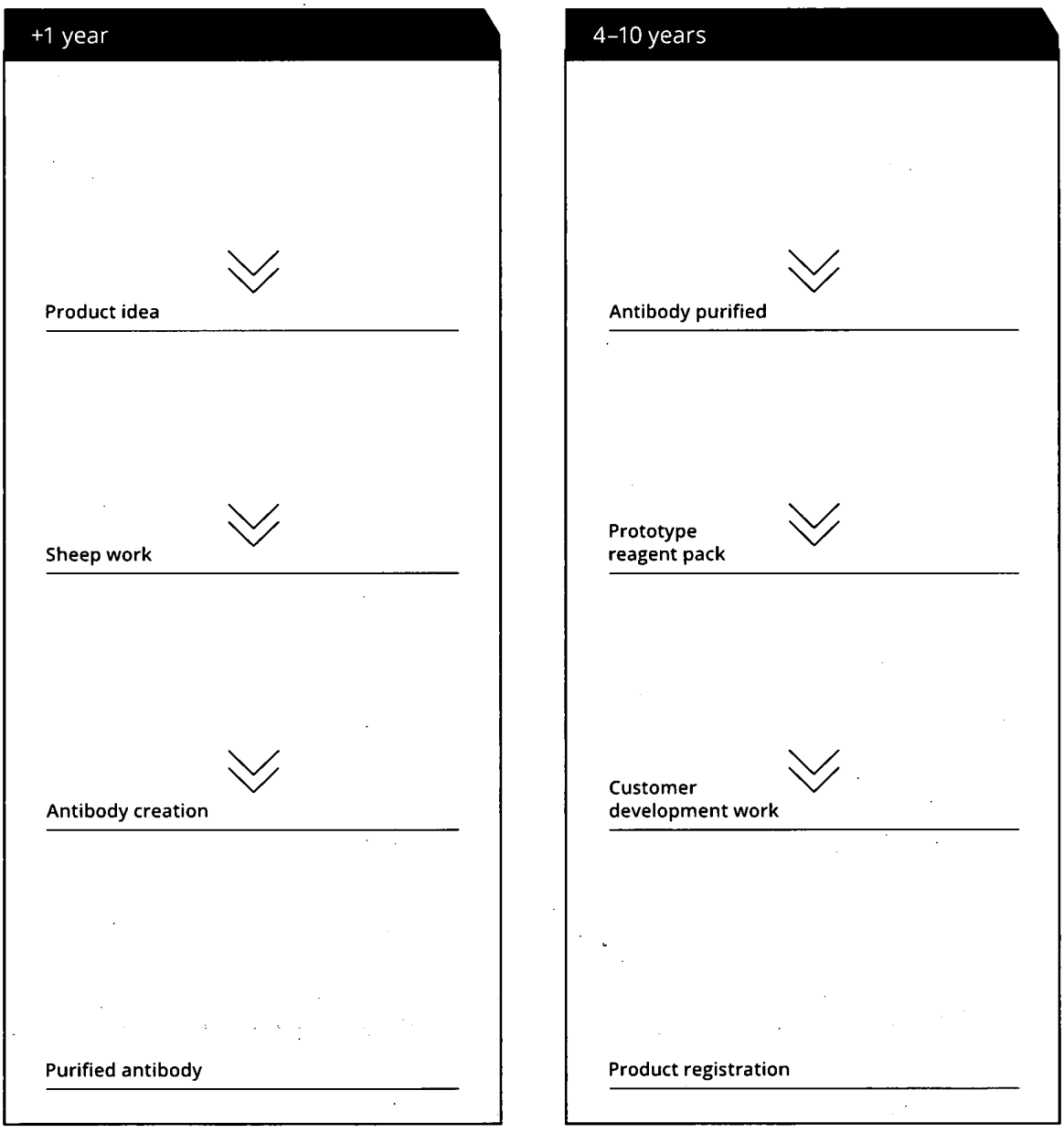
Bioventix creates and manufactures sheep monoclonal antibodies (SMAs). Customers incorporate these antibodies in reagent packs for use on automated blood-testing machines. Superior antibodies can facilitate improved tests. Bioventix sells liquid "physical" SMAs and derives royalties from their downstream use.

Blood testing



Antibodies and business dynamics

Projects can be internally driven or sponsored by customers. Bioventix takes about one year to create new antibodies. Even for established diagnostics, customers take two to four years to prototype tests, conduct field trials, submit regulatory data and obtain marketing approval. This imposes a gap between research and revenue growth but introduces a barrier that delivers continuity of longer-term recurring revenues.



2020–2021 financial results

We are pleased to report our results for the financial year ended 30 June 2021. Revenues for the year increased by 6% to £10.93 million (2019/20: £10.31 million). Operating profit for the year was flat at £8.09 million (2019/20: £8.18 million) due in the main to the adverse impact of foreign exchange movements and an increased charge in respect of share options issued in previous years. Cash balances at the year end were lower at £6.5 million (30 June 2020: £8.1 million) reflecting increases in the turnover generated from a material level of royalties in respect of the year received post-year end and dividends paid in the year of £7.71 million (2019/20: £6.50 million).

Our most significant revenue stream continues to come from the vitamin D antibody called vitD3.5H10. This antibody is used by a number of small, medium and large diagnostic companies around the world in vitamin D deficiency testing. Sales of vitD3.5H10 remained relatively unchanged at £4.8 million during the year, due to a flatter downstream market for vitamin D testing and pandemic effects. The importance of vitamin D in human biology is widely acknowledged and does indicate that vitamin D testing will continue to be part of clinical diagnostics in the long term.

Sales of our other lead antibodies are featured below with the respective percentage increase/ decrease from 2019/20:

- NT-proBNP: £1.28 million (+6%) [this revenue stream expired in July 2021]
- T3 (tri-iodothyronine): £0.74 million (+2%);
- progesterone: £0.54 million (+15%);
- estradiol: £0.44 million (+40%);
- testosterone: £0.44 million (–7%);
- drug-testing antibodies: £0.40 million (–48%).

Total troponin antibody sales from Siemens Healthineers and another separate technology sub-licence doubled during the year to £0.68 million (2019/20: £0.33 million). This significant increase clearly demonstrates a gathering momentum of product roll-outs for the new high sensitivity troponin assays supported by SMAs and we believe that these revenues will continue to grow in the next financial years.

Our shipments of physical antibody to China continued to increase. Some sales are made directly but the majority are made through five appointed distributors. Regulatory approvals for domestic Chinese customers have considerable lead times but we are now seeing modest increases in royalty payments flowing from these customers. The prospects for further growth in China are good, though we recognise that the development of antibody technology companies in China represents a longer-term challenge. In addition, relative global geopolitical stability will be important for the continued trade in technology products such as our antibodies.

Our underlying revenues continue to be dominated by US Dollars and Euros. When converting revenues to Sterling, in the absence of hedging mechanisms, they will be influenced by movements in exchange rates. Sales invoiced in foreign currencies are recorded in Sterling at the exchange rate on the date of sale. When Dollar and Euro monies are received, they are immediately converted into Sterling at the exchange rate applying on the date of arrival. Any difference in exchange rate between the date of invoice and the date of receipt is reported in the form of an exchange rate adjustment and is recorded in the period as a loss or gain when it is crystallised. The effect of these adjustments during the current year has been particularly large and provided a negative effect of £0.29 million which has been crystalised and recognised in our results for this year, compared to a positive effect of £0.20 million for the previous year; a total movement between the years of almost £0.5 million.

Key financials

2021

£10.931 million

Turnover

£8.382 million

Operating profit
(before forex differences)

2020

£10.314 million

Turnover

£7.981 million

Operating profit
(before forex differences)

"Our most significant revenue stream continues to come from the vitamin D antibody called vitD3.5H10."

The critical period for such differences arises around the time of royalty receipts in February and August when debtors, in respect of turnover recognised in the six-month periods ended 31st December and 30th June respectively, are recorded in Sterling at exchange rates applicable at those balance sheet dates rather than at the exchange rates at the date the royalties are received. We have no current plans to institute any hedging mechanisms to cover these short periods or indeed any longer periods and therefore any future changes in exchange rates, up or down, may impact our reported Sterling revenues accordingly.

Included in the cost of sales are significant expenditures on external contract services linked to the industrial pollution exposure project described on pages 11 and 12. This level of expenditure will be maintained in 2021/22 reflecting the continued investment in this research project. In accordance with our longstanding accounting policy, all such research and development costs are charged in full in the profit and loss account when they are incurred and there is no capitalisation of these costs.

As we observed earlier in the pandemic, through our multinational in vitro diagnostics (IVD) customers, our main business is intrinsically linked to the diagnostic pathways that exist at hospitals and clinics around the world. The activity within these routine diagnostic pathways continues to be adversely affected by the COVID-19 pandemic as hospital resources are diverted to cope with the additional patient burden created by the pandemic. Even where diagnostic capability exists, there is still evidence that concerned patients have chosen not to enter diagnostic pathways and have not presented to healthcare professionals as would normally be expected.

The evolution of the pandemic has proved difficult for governments and their expert advisors to forecast and the timing of a return to normality remains uncertain. Nevertheless, we are confident of the robustness of our business and that as circumstances change and as healthcare pathways continue to be re-established and normalised, Bioventix sales will revert to an established trajectory.

Cash flows and dividends

As reported above, the performance of the business during the year generated cash balances at the year end of £6.5 million and royalties received during quarter 3 of 2021 have added to this balance. Whilst considering the impact of the pandemic on the core business, the Board has determined that is appropriate to maintain the established dividend policy in the immediate future. For the current year, the Board is pleased to announce a second interim dividend of 62 pence per share which, when added to the first interim dividend of 43 pence per share makes a total of 105 pence per share for the current year.

Our current view continues to be that maintaining a cash balance of approximately £5 million is sufficient to facilitate operational and strategic agility both with respect to possible corporate or technological opportunities that might arise in the foreseeable future and to provide comfort against the ongoing impact of the pandemic and any economic uncertainty arising from it. We have therefore decided to distribute surplus cash that is in excess of anticipated needs and we are pleased to announce a special dividend of 38 pence per share.

Accordingly, dividends totalling 100 pence per share will be paid in November 2021. The shares will be marked ex-dividend on 28 October 2021 and the dividend will be paid on 12 November 2021 to shareholders on the register at close of business on 29 October 2021.

Research and future developments

Over the next few years, the commercial development of the new troponin assays will have the most significant influence on Bioventix sales. There are currently no antibodies in the future pipeline that are comparable to our troponin products in potential value and ability to influence revenues in the next few years.

We have undertaken a range of research projects over the previous few years and in the table below we have illustrated our current view of their potential value and probability of success:

Increasing potential value ↑	Low	Medium	High
High	Secretoneurin (CardiNor) Amyloid (Pre-Diagnostics) Tau (alzheimers, own-risk)		
Medium		Industrial biomonitoring (new markers)	Pyrene biomonitoring T4 (thyroxine) [1] Biotin blockers
Low		Thyroglobulin (contract) [2]	Cancer (contract) [1] THC (sandwich)

Increasing probability of success →

Table notes:
[1] Modest sales now contribute to miscellaneous sales [2] Project de-prioritised at customer

Our partners at CardiNor (Oslo) have continued with their work to try and identify the possible utility of secretoneurin in heart failure patients and in particular those patients who might be candidates for implantable cardiac devices. This work is ongoing and we hope to have more definitive news in the months to come.

Pre-Diagnostics (also in Oslo) and their clinical collaborators now have two amyloid beta assays in development based on Bioventix antibodies. The goal of the project is to identify fragments of amyloid beta in patient samples that would be helpful in Alzheimers diagnostics. Additional data on patient samples will be generated next year to help define the utility of these assays in Alzheimers diagnostics.

Another biomarker that has shown potential in Alzheimers diagnostics is the Tau protein in the form of total Tau and phosphorylated Tau. During the year we created a number of anti-Tau antibodies and this work will continue into 2022. Our objective is to use our antibody skills to create useful antibodies and to work with a leading academic group to investigate their use in Alzheimers assays.

We now have two candidate biotin "blocker" antibodies that are intended to mitigate the interference that biotin vitamin supplements can have on certain blood tests supplied by some IVD manufacturers. Some customer results from evaluation samples have demonstrated the effectiveness of these blocker antibodies. However, as this project has evolved, it has become clear through FDA guidelines that much larger quantities of biotin blockers will be required in assay reagent packs. This imposes cost/price constraints in addition to manufacturing/capacity challenges. Over the next year, we will explore production systems (such as E.coli) in order to identify improved production techniques which could facilitate commercial feasibility.

We are particularly pleased with the progress of the pyrene exposure project. Pyrene is a common industrial combustion pollutant and we now have a prototype lateral flow device that would be suited to testing for pyrene exposure in industrial field use. After running the urine sample, the plastic lateral flow cassette is loaded into a 3-D printed phone holder and an app directs the phone camera to quantify the result line. The operator then estimates the urine strength by colour, enabling the workers' recent pyrene exposure to be estimated. Internal results (using a small bank of industrial urine samples) are encouraging and we are working with a UK industrial site to conduct a field trial of the device and app over the next few months. We accept that the creation, manufacture and supply of final assay products is outside our normal focus of bulk antibody sales but we believe that through our own efforts we can substantiate the viability of such products and generate demand, thereby stimulating the interest of future commercial partners.

The progress of the pyrene project has encouraged us to consider additional assays in the field of industrial health and safety. Work on these new analytes has only just started and is planned to continue into 2022 and 2023.

Regarding our core SMA antibody technology, we have successfully generated superior antibodies over the last 17 years and these antibodies are now in routine use by our customers. The antibody technology landscape has evolved over this time-period. We are aware that rabbit monoclonal technology – a competitive antibody technology – does exist at some of our customers' laboratories and this is likely to have resulted in some lost opportunities for our SMA technology. In addition, the steady development of "synthetic" antibody technology (known in the industry as antibody "library" technology) has continued. This technology is perhaps not so directly competitive but is useful for targets which are fragile and liable to dissociation upon immunisation into sheep.

During 2020, we used this library technology by contracting work at a third party to make a "sandwich" assay format for THC/cannabis using a parental SMA that we created many years ago. This has yielded an antibody "pair" candidate that does appear to facilitate improved lateral flow tests for THC/cannabis in saliva. The quantity of antibody used per test together with the modest selling price of THC tests does present cost/price challenges. We will attempt to utilise improved manufacturing technology (using E.coli) during 2022 to improve the economics of this project.

Pyrene lateral flow

1. Run pyrene lateral flow	2. Insert cassette into top-box	3. Phone camera detects the presence of the control line and scans the test	4. Urine concentration of pyrene is adjusted by the estimated urine strength to give estimated worker exposure levels

The Bioventix team and facility

The composition of the Bioventix team of 12 full-time equivalents has remained relatively stable over the year facilitating excellent performance and know-how retention. The past 18 months has been a challenging period for everyone and we are very grateful to the team at Bioventix for their dedication over this period which has allowed us to adapt and modify our business to cope with the effects of the pandemic whilst still maintaining our progress.

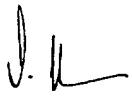
Development of the laboratory facilities concluded earlier in 2021 with some updated and additional laboratory utilities including a new autoclave machine and the modernisation and upgrading of office areas. This significant investment in our Farnham facility will provide an excellent base for our future and ongoing research activities, as well as giving us room to explore and deliver improved production systems for our SMAs.

In the general manufacturing sector, there have been a variety of reports relating to supply chain issues caused by a range of contributing factors. We have also experienced such supply delays during the year, covering reagents, plastics and filters. We have successfully managed these issues through careful stock planning and sourcing alternatives where possible and we will continue to utilise such mitigations to minimise any future impact.

Conclusion and outlook

We are pleased with our financial results for the year, considering the continued negative impact of the global pandemic. The core business is linked to routine testing at hospitals around the world and this has undoubtedly been affected by the COVID-19 pandemic. The timing of a return to normality is uncertain but, when it does take place, we expect our business to revert to an established trajectory, albeit without the income from NT-proBNP which ceased from July 2021. Regardless of the pandemic effects, we anticipate the continued roll-out of the high sensitivity troponin assays and receipt of the royalty revenue associated with this. Excellent technical progress has been made with our research projects, including the industrial pollution exposure project, and we anticipate that this project and others in our pipeline will create additional shareholder value in the years ahead.

Peter Harrison
Chief Executive Officer



Ian Nicholson
Non-Executive Chairman

Date
15/10/21

Business review

Please refer to the full business review which is covered in the Chairman and Chief Executive's statement on pages 1 to 14 and forms an integral part of the Strategic report.

Principal risks and uncertainties

Investment in AIM securities
Investment in shares traded on Alternative Investment Market (AIM) is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Volatility of share price
The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Company's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Dependence on key employees
The Company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the Company's business. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre could have a significant adverse effect of the business of the Company.

Technology
For SMAs that are in the research and development phase at Bioventix's customers, there is a risk of technical failure. This can occur as assays fail to perform with the desired precision. Failure can also arise when external "field trials" at hospitals using prototype assays identify patient samples that give erroneous results.

For projects at the early phase of Bioventix's pipeline and others that may feature in the medium to long term, there is a risk that new antibody technologies available to third party companies eclipse Bioventix's SMA technology and these new technologies produce superior antibodies. Examples of such technologies include monoclonal antibodies from rabbits.

The Company may come to face competition from other businesses that possess skills and technologies that are not known or available at present. Such competition could prevent the Company from achieving sales. Further, competitors may develop products or technologies that make Bioventix's technology obsolete.

The Company may also face claims that its use of its technology infringes the intellectual property rights of others and may become involved in legal proceedings in connection with such claims. The Company may also generally face legal proceedings in the course of its business. The Company cannot preclude the possibility that litigation may be brought against it from time to time. Any such claims, legal proceedings and litigation may have a material adverse effect on the financial performance and/or the business of the Company. The Company's insurance may not cover all or any part of any claims which customers or third parties may bring against the Company or may not be sufficient to protect the Company against any liability that may be imposed on it.

Regulatory environment
The medical diagnostics field in which the Company operates is highly regulated. Whilst the Company's antibodies are not themselves regulated, the tests in which they are used by the Company's customers must be approved by regulatory bodies such as the US Food and Drug Administration before they can be commercialised. Achieving and maintaining such approval by Bioventix's customers is therefore necessary to the continued success of the Company.

Strategic report cont.

Distribution risk
Bioventix's antibodies are derived from sheep and therefore might be regarded as a sheep-derived product. Any future restriction on the distribution, import/export and use of sheep products or sheep-derived products that might be imposed by government or other authorities for whatever reason could materially affect Bioventix's business.

Market risk
There has been a process of merger and acquisition within the blood-testing machine companies who are Bioventix's customers. Such activity can result in the rationalisation of individual machines. Therefore, machines that feature Bioventix antibodies could be replaced by machines that do not. Even in the absence of such mergers and acquisitions, machines can be developed within a company such that assays featuring Bioventix antibodies are withdrawn or replaced.

Competition
Whilst the Company does not operate under granted patents, the Directors believe that the Company has a significant set of know-how and skills that are unique. The Company may face competition from companies in business at present or not yet established that are or will be better funded, staffed or equipped than the Company. There is also a risk that the Company's principal target customers (blood-testing manufacturers) may choose to use alternative antibodies. Competition from any source could adversely affect the Company's ability to generate income.

Financial risk management

Foreign exchange risk
The majority of the Company's revenues are denominated in either US Dollars or Euros whilst the majority of its operating costs are in Sterling. The Company is therefore exposed to significant foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Company's operating results.

Taxation
Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Credit risk
The main credit risk of the Company is attributable to its trade debtors. The amounts presented in the Statement of financial position are net of any bad debt provision.

Interest rate risk
Due to the lack of borrowing within the Company, the interest rate risk is deemed to be low, and there are no specific policies in place to review this.

Price risk
The key income stream is that of royalties and these prices are set at the start of the royalty agreement, thus limiting the exposure to sales price risk. The key cost to the Company is that of its staff and this is a manageable cost price risk.

Liquidity risk
The Company maintains a strong cash balance, and always looks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and that cash is invested safely and profitably. Short-term flexibility is achieved by the use of money markets to deposit excess cash which is not required in the short term. The Directors prepare rolling cashflow forecasts.

COVID-19
The continuing global implications of the COVID-19 pandemic may affect the Company's revenue and profitability. COVID-19 has adversely affected some routine diagnostic pathways and the willingness of patients with concerning symptoms to present to healthcare professionals. Any delays in diagnosis and treatment that arise may defer revenue from both the supply of antibodies and also the royalty revenue arising from their use in testing.

Brexit
There is still uncertainty surrounding the future trading relationship between the United Kingdom and member states within the European Union. In the event of new regulations being adopted, these could add complexity and delays to the Company's operations; however, there is no indication that any form of Brexit will affect the regulations that are relevant to Bioventix PLC.

Ability to pay future dividends
The Company's ability to pay dividends in the future is dependent upon the extent to which it has distributable reserves and cash available for this purpose. The Company can give no assurance to shareholders that it will or will not be able to pay dividends in the future.

Financial instruments

The Company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the Company's operations.

Due to the nature of the financial instruments used by the Company there is exposure to exchange rate fluctuations, but no other significant price risk.

The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risks are managed conservatively by maintaining deposits of short to medium duration in high-street banks, thereby reducing the risk of financial default.

Trade debtors are managed in respect of credit by maintaining a regular dialogue with customers, the majority of whom are multinational diagnostics companies.

Risks in relation to exchange rate fluctuations are discussed on page 17.

Financial key performance indicators

	2021 £	2020 £
Turnover	10,930,588	10,313,576
Profit before tax	8,118,230	8,225,059
Cash balances	6,494,985	8,076,468

Revenues for the year of £10.93m (2020: £10.31m) were 6% up on the previous year. Profits before tax have decreased by 1% year on year.

Cash balances at 30 June 2021 of £6.49m (2020: £8.08m) have decreased in the year.

The Company monitors various financial key performance indicators as part of its accounting and management reporting process.

The Directors do not anticipate any material change in the nature of the Company's operations in the foreseeable future.

Other key performance indicators

The future growth of the Company relies on its research and development activities creating and being able to manufacture unique antibodies that are required by our customers. The Directors review and discuss the strategy and performance of our research and development regularly throughout the year.

The Company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn is expected to ensure the delivery of its core objective of sustained real growth in profitability.

In a company of this size, the Directors consider there are collectively numerous non-financial performance indicators, but none individually are key.

Directors' statement of compliance with duty to promote the success of the Company

The Directors are clear on their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of Bioventix PLC ("the Company") for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors are committed to effective and meaningful engagement with our key stakeholders. The Directors seek to actively identify and positively engage with key stakeholders in open and constructive dialogues. We believe that such engagement is critical to the long-term success of the Company and, by canvassing and understanding the perspectives of our stakeholders and building good relationships, the Board is able to take their views into account in discussions and decision-making.

Our 2021 Annual Report contains expanded governance disclosures and a sustainability report. The Corporate Governance report details the structure of the Board, its Committees and the meetings held during the year to 30th June 2021. Discussion topics at each meeting included the Company's response to the COVID-19 pandemic, health and safety, staff welfare, research and development progress, customer feedback and financial performance. The Sustainability report on pages 26 to 29 contains information on our social and environmental interactions with our immediate and wider communities.

Culture, values and standards form the foundations for a company's operating behaviours and processes by which it creates and sustains value. They also assist and guide decision-making and thereby help promote a company's success. The Board will continue to build its model for engagement with key stakeholders and will, in future reports, provide more detail of our progress, including how we engage and the impact of such engagement on the Company's strategy and principal decisions.

This report was approved by the board and signed on its behalf.

Peter Harrison
Director

Date
15/10/21

Directors' report

The Directors present their report and the financial statements for the year ended 30 June 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity
The principal activity of the Company during the year was that of the development and supply of antibodies.

Business review
This Company is required to produce a business review complying with the requirements of the Companies Act 2006. This can be found in the Chairman and Chief Executive's statement on pages 1 to 14. In addition to this, information on the principal risks and uncertainties and key performance indicators can be found in the strategic report on pages 15 to 19.

Research and development
During the year research and development costs were incurred of £1,201,236 (2020: £1,176k).

Dividends
The profit for the year, after taxation, amounted to £6,731,348 (2020: £7,202,697).

A dividend of 105p per share was paid in October 2020. This equated to £5,469,800 (November 2019: £4,628,407).

The Board have declared and paid an interim dividend of 43p per share in April 2021. This equated to £2,240,013 (April 2020: £1,874,821).

Following the end of the year, a dividend of 62p per share, together with a special dividend of 38p per share, has been declared.

Directors
The Directors who served during the year were:
Peter Harrison
Ian Nicholson
Treena Turner *(resigned 16 October 2020)*
Nick McCooke
Bruce Hiscock *(appointed 1 July 2020)*

Directors' third party indemnity provisions
During the year the Company had in place Directors and Officers Insurance.

Disclosure of information to auditors
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 14 October 2021 and signed on its behalf.

Ian Nicholson **Date**
Director 15/10/21

Sustainability report

Our purpose at Bioventix is to create, manufacture and supply high affinity sheep monoclonal antibodies for use in diagnostic applications. Whilst Bioventix is a small organisation we still consider a commitment to sustainability a core component of our culture and responsibility to act with the highest standards in all of our business dealings and interactions with stakeholders.

We therefore always aim to:

- respect, protect and keep safe members of staff, customers, collaborators, partners, stakeholders and shareholders;
- protect the environment; and
- enhance the reputation of Bioventix in the markets where our products are used and in communities in which we are present.

The application of these guiding values helps us to ensure that we provide a safe and fulfilling work environment with a strong culture of ownership and belonging, create a business with which other like-minded businesses and individuals will wish to collaborate and trade, make a positive contribution to the communities in which we work and build shareholder value.

This Sustainability report is divided into the three key areas of Social, Environmental and Business Governance.

Social
We maintain regular communication and dialogue with our stakeholders to understand their needs and to factor these into our decision-making and activities.

Our people
Bioventix is a small organisation with 16 employees. We are based solely in the UK and apply fair employment practices and comply with all legislation and requirements regarding employment, pay, working hours and annual and statutory leave. We invest in healthy and safe workplaces and our employee policies, amongst others, include Equal Opportunities, Anti-harassment and Bullying, Health and Safety, GDPR, Flexible Working, and polices for Parental, Compassionate & Dependant Care Leave.

We also provide further policies for guidance for ethical work practices, and these include Anti-corruption and bribery, Whistleblowing and the Company's Modern Slavery Act Statement.

Throughout the COVID-19 pandemic the Company has carried out full detailed risk assessments, monitored and where necessary adapted working practices to ensure compliance with UK government requirements and restrictions and to ensure a safe and secure work environment. In addition, whenever necessary and appropriate the Company has supported staff working from home.

Bioventix has a very flat management structure. Interaction between the Executive Directors and staff is a daily event and very much part of the culture in the Company. In addition, to ensure that all staff are aware of the Company's strategy and performance, all staff are notified when interim and full year Annual Reports are published and the CEO conducts a briefing to which all staff are invited where full information is provided and discussed in an open and inclusive environment.

Our shareholders
Bioventix communicates regularly with shareholders through the Annual Report, Interim Statements, RNS announcements, our AGM and other investor meetings and presentations. All published information is available to all stakeholders on the Bioventix website (www.Bioventix.com).

Customers, research and academic partners
Our products are used by large multinational in vitro diagnostic companies across the world. Whilst Bioventix does not have any contact with patients whose conditions may be diagnosed using its products, we recognise the vital needs our customers meet and the impact our technology can have in improving outcomes for those patients.

Bioventix is a research-driven organisation which is seeking to develop novel approaches in the diagnostics field. As such, the Company engages and collaborates on a number of projects with a variety of other companies and research institutions. The purpose of these relationships is to access relevant technologies and programmes to add value to the Company's research portfolio. However, often the exchange of knowledge and views, whilst building relationships that may be important in future, contributes to the wider research community thereby potentially adding value to the solution of problems unrelated to our technology.

The wider community
Bioventix, like all businesses, has responsibilities to the wider communities in which we operate.

We operate a Quality Management System based on the principles of ISO9001:2015 (Quality Management System Requirements) and ISO13485:2016 (Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes). Our processes, procedures and operations are subject to regular internal audit by our Quality Management Team and to external audit by our customers who have the right to inspect our operations under the terms of our contracts with them.

Our research and our strategy seeks to apply our antibody technology to appropriate problems facing our customers, partners and, potentially, the wider community.

Ageing populations and the growth in the number of patients suffering with dementia-related conditions is a major problem facing developed societies. Our opportunity to work with researchers in this field and develop antibodies to help identify diagnostic tests for the earlier diagnosis of such conditions is an area closely related to the Company's historic product set.

Sustainability report cont.

The provision of pollution-free, safe environments is a core responsibility for governments and many organisations. The work to adapt our technology to develop straightforward tests with accessible and timely analysis and results is a new development in the Company's product set.

Such projects and research are undertaken with commercial objectives; however, we are acutely aware that our contribution to developing any solutions to these challenges will benefit the wider community and the environment that we serve.

Environmental

Whilst our products are used all round the world, Bioventix is a small organisation with laboratory and administration facilities in one location in the UK occupying c600 sqm. We employ 16 people, many on a part-time basis. Our environmental impact is therefore relatively small.

We do however recognise that making improvements in our working to further reduce our environmental impact is important and can have a cumulative effect. We aim to keep our use of consumables to a minimum without compromising quality or safety. We promote the effective and efficient use of equipment, facilities, services and supplies. We adhere strictly to the specified maintenance schedules for laboratory and other equipment and have recently completed significant refurbishment of the facilities ensuring that replacement equipment, for example our cold storage, freezers and autoclave, and showers and toilet facilities, have improved water utilisation and energy efficiency. We encourage all staff to reduce wastage, not to print unnecessarily, to optimise the use of lighting and heating and cooling units and switch off any electrical equipment when not in use.

Before the COVID-19 lockdowns, the CEO conducted a limited amount of business travel both in the UK and internationally. With the gradual relaxing of travel restrictions, we believe that it will be beneficial for some of this business travel to return; however, with the greater adoption of technology to facilitate virtual meetings, there are now suitable alternatives that will allow for the overall level of travel to be reduced compared to that previously undertaken.

"The provision of pollution-free, safe environments is a core responsibility for governments and many organisations."

Governance

Bioventix is committed to conducting our business in an ethical and responsible manner and to complying with all applicable laws and regulations. We require all our employees and all third parties acting on our behalf to behave honestly and to operate with integrity.

We have a comprehensive suite of policies covering the conduct and ethics of all aspects of our business including anti-bribery, modern slavery, and safeguarding. Our employee induction process includes sessions on HR, health and safety, bribery, modern slavery, whistleblowing and data protection, to ensure all new employees understand our ways of working and our expectations of them. Our recruitment, development, and review programmes safeguard our commitment to diversity and equality throughout our Company.

The detail of our commitment and approach to governance is explained in the Governance report that follows.

Governance report

The Board of Directors
The Board comprises, in addition to the Chairman and Independent Non-Executive Director, an Independent Non-Executive Director and two Executive Directors.

Chairman's introduction to the Governance Report
As Chairman of Bioventix PLC ("Bioventix" or "the Company") it is my responsibility to ensure that the Board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so. We believe that a sound and well understood governance structure is essential to maintain the integrity of the Company in all its actions, to enhance performance and to impact positively on our shareholders, staff, customers, suppliers and other stakeholders.

Bioventix is a small organisation with fewer than 20 employees, however, we aim to continually update and improve our approach to corporate governance. Shareholders will therefore find additional information in this year's Annual Report including, on page 23, a Sustainability report detailing our approach to the increasingly important responsibility for Environmental, Social and Governance (ESG) common to all businesses.

The Company's shares are traded on the Alternative Investment Market (AIM) on the London Stock Exchange and as such the Company is subject

to the ongoing requirements of the AIM rules for Companies. The Board has adopted the QCA Corporate Governance Code ("the Code") which continues to be the most appropriate benchmark for the Company in measuring our application of good governance principles. These 10 principles provide us with a clear basis for assessing our performance as a Board and as a company. In the sections that follow we set out our governance structures along with an overview of how Bioventix applies the Principles of the Code and reports from the Board Committees. Compliance with the Code and corporate governance requirements generally are reviewed on an ongoing basis by the Board as well as forming part of the annual Board Performance Review process.

The Board of Directors

Ian Nicholson
Chairman & Independent Non-Executive Director

Ian was appointed as Non-Executive Chairman of Bioventix in November 2004. Ian is also a Non-Executive Director of Clinigen Group PLC, a specialty pharmaceuticals and services business and also an Operating Partner at Advent Life Sciences LLP. From 2013 to 2021 Ian was Chief Executive Officer of F2G Ltd, an antifungal drug development company, and from 2004 to 2012 Ian was Chief Executive of Chroma Therapeutics Limited, a drug discovery and development company. He previously held the position of Senior Vice President, Business Development at Celltech Group PLC, then the UK's largest biotechnology company. He has extensive experience in licensing, mergers and acquisitions, and market development in the UK, Europe and the US. Ian is Chairman of the Audit Committee and is a member of the Remuneration Committee.

Nicholas McCooke
Independent Non-Executive Director

Nick was appointed as Non-Executive Director of Bioventix in 2014 when the Company first listed on AIM. Nick has worked in the biotech industry for over 30 years and is now an independent consultant providing operational, strategic and commercial advice and hands-on support to biotech companies. He has led several successful companies. He was the founding CEO of Solexa, the Cambridge University spin-out where he built the team that invented and developed Next Generation DNA sequencing. Subsequently he was CEO of Belgian company Pronota, which translated novel protein biomarkers into diagnostics, and where he gained much knowledge and expertise in the diagnostic development and market access process. Most recently he was CEO of DNA sequencing technology company Longas Technologies pty Ltd. He has an MBA from the London Business School. Nick is Chairman of the Remuneration Committee and Nomination Committee and is a member of the Audit Committee.

Peter Harrison
Chief Executive Officer

Peter has worked in the field of antibody technology since 1986 and has extensive experience of the development and commercialisation of antibody technologies. He graduated in Natural Sciences from Clare College Cambridge in 1980 and joined the graduate training scheme at Shell Chemicals UK Ltd. In 1986 he joined Celltech Ltd to manage their contract antibody production business and in 1991 he joined KS Biomedix Ltd and helped to establish sheep monoclonal antibody technology at their Farnham research laboratory. Following the acquisition of KS Biomedix Limited by Xenova PLC in 2003, he led a management buy-out that resulted in the formation of Bioventix and he has led the subsequent commercial development of the Company.

Bruce Hiscock
Chief Financial Officer

Bruce was appointed to the Board in 2020. He is a member of the Institute of Chartered Accountants of Scotland (ICAS) and was previously CEO and CFO of everyLIFE Technologies Limited, a technology business developing and delivering digital care planning SaaS solutions to social care providers. Prior to this he was the Managing Director of MITIE Security Systems Limited, the CEO of Protec PLC, an AIM listed security and technology services business, and has held several CFO roles at both fast-growing listed and private companies over a 30-year career.

The Independent Non-Executive Directors, Ian Nicholson and Nick McCooke, are both considered as independent by the Board and are both participants in the Company's Unapproved Share Option Scheme. The Board recognises that since independence can be easily compromised, Non-Executive Directors should not normally participate in performance-related remuneration schemes or have a significant interest in a company share option scheme. The QCA Code acknowledges that where performance-related remuneration is under consideration, it should be proportionate, and shareholders must be consulted and their support obtained. Prior to the grant of share option awards, in 2017 and in 2020, the Board consulted with all material shareholders and there were no dissenting views. Furthermore, the Board believes that the participation, by the Non-Executive Directors, in the Company's Unapproved Share Option Scheme has not and does not impair their ability to act as independent Non-Executive Directors.

Corporate Governance statement and compliance with the principles of the QCA Code

The Company's shares are traded on the Alternative Investment Market (AIM) on the London Stock Exchange and as such Bioventix is subject to the ongoing requirements of the AIM rules for Companies. As stated in the Chairman's introduction, the Board has adopted the QCA Code, and the following table summarises how the 10 principles of the QCA Code are applied by the Board. The Board has undertaken an annual review of the corporate governance framework that Bioventix operates and considers it to be effective and proportional to the size, risks, complexity and operations of Bioventix and reflective of the Company's culture and values.

1. Establish a strategy and business model which promotes long-term value for shareholders

The Company's strategy and business model is described in the Company's Annual Report. The Company generates long-term value for shareholders and achieves sustainable shareholder returns by delivering its strategy through the implementation of its business model. Key requirements of both are:

i. the Company's understanding of and supply to the global markets for diagnostic antibodies;
ii. the Company's research activities and the identification of suitable opportunities within those markets for the Company to target allied to the subsequent development and manufacture of applicable and commercially viable products;
iii. the employment and subsequent training and development of expert individuals; and
iv. the development of business and research relationships with customer, academics, partners and suppliers.

The Annual Report contains details of a number of risks and uncertainties that may represent challenges to the execution of the Company's strategy and business model, and how such risks and uncertainties are managed by the Company.

2. Seek to understand and meet shareholder needs and expectations

The Company recognises the importance and the benefit of engaging with its shareholders.

Bioventix has an established programme of engaging openly with shareholders and communicates on an ongoing basis via its website, on publication of its full-year and half-year results and at the AGM.

Trading updates and other announcements are made on RNS.

The Board also engages with shareholders to understand their needs and expectations primarily through meetings with Executive Directors when presenting financial results but as required at other times (this applies in the main to institutional investors or those with significant shareholdings) including at the AGM to which, subject to any restrictions implemented in response to the COVID-19 pandemic, all shareholders are welcome and encouraged to ask questions of the Board. Formal feedback from shareholder meetings is provided by the Company's broker and discussion of this feedback is a standard item on the Board's agenda.

The Non-Executive Directors may be contacted by shareholders who wish to raise matters and also attend many of the investor meetings at both the full-year and half-year results.

The Company's website contains information on the Bioventix business, corporate information and specific disclosures required under AIM rules and the QCA Code.

3. Take into account stakeholder and social responsibilities and their implications for long-term success

The Board recognises that it is responsible not only to the Company's shareholders and employees but also to a wider group of stakeholders including customers, suppliers, research partners and the communities in which Bioventix operates. Whilst Bioventix does not have any contact with patients whose conditions are diagnosed using tests incorporating its products, the Company aims, through its technology to improve outcomes for those patients.

Sound ethical values and behaviours are crucial foundations for the Company, for the successful achievement of corporate objectives, and for meeting the needs of a sophisticated client base.

Bioventix aims to follow best practice by:

- treating all stakeholders fairly;
- communicating openly and honestly in all shareholder and stakeholder information;
- providing safe, secure and healthy working conditions for all employees;
- promoting equality, judging neither by race, nationality, religion, age, gender, sexual orientation, disability or political opinion and treating everyone with respect;
- observing and complying with the laws and regulations in each country in which it conducts business; and
- promoting Bioventix's success for the benefit of all stakeholders – shareholders, employees, partners, customers, suppliers and the local community.

The Company opposes modern slavery in all its forms and will try to prevent it by any means that it can. It is expected that anyone who has any suspicions of modern slavery within the business or the supply chain will raise their concerns without delay. In light of the Modern Slavery Act 2015, the Board carries out annual reviews of internal measures to ensure the Company is doing what it can to prevent slavery and human trafficking.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve the execution of the Company's strategic objectives and business model.

The principal elements of the Company's internal control system include:

- close management of the day-to-day activities of the Company by the Executive Directors;
- defined lines of responsibility and delegated authorities;
- the preparation of revenue, cost and capital forecasts which are reviewed regularly during the year; regular monitoring of management information and financial data; reporting to and monitoring by the Board including comparison with financial forecasts;
- implementation and use of standard, approved accounting software to account for and report financial transactions and to analyse and report Company performance;
- Audit Committee review of audit plans, published financial information and reports from the Company's external auditor;
- quality management systems, maintained in house and audited where required by customers.

Each year on behalf of the Board, the Audit Committee reviews the effectiveness of these systems. This is achieved primarily by a comprehensive review of risks which cover both financial and non-financial issues potentially affecting the Company and from discussions with the external auditor. Details of these risks, and their management, are contained in the Company's Annual Report.

The Board is not aware, to the best of its knowledge, of any significant failings or weaknesses in the system of internal control. On the recommendation of the Audit Committee, the Board has determined that the Company does not require an internal audit function due to the small size of the administrative function and the high level of Executive Director involvement in the

day-to-day management of the business and the review and authorisation of activity, commitments and transactions.

Where the management of operational risk requires outside advice, this is sought from expert parties, and the Company has put measures in place to protect itself against supply failures including insurance and contingent stock.

5. Maintain the board as a well-functioning, balanced team led by the chair

The purpose of the Board is to ensure that the business is managed for the long-term benefit of all shareholders, whilst at the same time having regard for employees, customers, suppliers and our impact on the environment and the communities in which Bioventix operates. The full Board is responsible and accountable to the shareholders for the management and success of Bioventix and to provide effective controls to assess and manage risks in the Company.

There is a formal schedule of matters specifically reserved for the Board that includes matters relating to strategy and management; structure and capital; financial reporting and controls; internal controls; contracts; communications; board membership and other appointments; delegation of authorities and corporate governance.

The Company has two Non-Executive Directors, each considered to be independent by the Board. Ian Nicholson, who was appointed as Non-Executive Chairman of the Company in 2007, is considered by the Board to remain independent of the management and free to exercise independence of judgement. The other Non-Executive Director, Nick McCooke, was appointed in 2014.

The Board meets on a minimum of four occasions with board meetings spread across each year timed to align with the Company's financial reporting and trading calendars. This frequency is considered appropriate to the size and complexity of the Company and additional meetings are held as required.

The Board is supported by an Audit Committee, a Remuneration Committee and a Nominations Committee each with delegated duties and responsibilities. The Board and its Committees receive appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting and Board Committee papers are distributed several days before meetings take place. Any director can challenge proposals with decisions being taken after discussion. Any director can ask for a concern to be noted in the minutes of the meeting which are circulated to all directors. Specific actions arising from meetings are agreed by the Board or relevant committee and then followed up by management.

All relevant directors attended all Board and Board Committee meetings during the year with no absences. All directors spend such time as is necessary to effectively carry out their roles and directors have access to all and any advice or services needed to enable them to carry out their roles and duties.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Nominations Committee is responsible for identifying and assessing the suitability of candidates to fill any vacancies on the Board as well as assessing the appropriateness of the size and composition of the Board as Bioventix grows and develops.

The directors of the Company are:

- Ian Nicholson, Non-Executive Chairman
- Peter Harrison, Chief Executive Officer
- Bruce Hiscock, Chief Financial Officer
- Nicholas McCooke, Non-Executive Director

The skills and experience of the Board are set out in their biographical details included above and are considered by the Board as representing an appropriate range of capabilities needed to deliver the strategy of the Company for the benefit of its shareholders over the medium to long term. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. All Directors are able to take independent professional advice in the furtherance of their duties, if necessary. In addition, the Board is assisted by Ian Farrelly,

the Company Secretary, whose services are retained through a contract with Cargil Management Services Limited, a professional company secretarial services provider. The Directors have direct access to the advice and services of the Company Secretary and of course the Chief Financial Officer if required.

At each Annual General Meeting (AGM) one third of the Directors are subject to re-appointment by rotation under the Company's Articles of Association, as are Directors who have been appointed during the year. However, in line with best practice, all Directors, being eligible, will be seeking re-appointment by shareholders at the Company's forthcoming AGM.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is mindful that it needs continually to monitor and identify ways in which it might improve performance and that the assessment of board performance through the adoption of a formal process is a useful tool for enhancing board effectiveness.

The collective performance of the Board is reflected in the overall success of the business. Evaluation of the performance of the Board, its Committees and individual members is made annually utilising a formal board evaluation process led by the Chairman, assisted by the Company Secretary.

The Board Performance Review held during the year by the Board determined that the Board, its Committees and individual directors were felt to be working well. Enhancements were agreed in relation to the role of the Board; the assessment of Board, Committee and individual director performance; and ESG disclosures that are contained in the Sustainability report on page 23.

Alongside this annual formal evaluation the Chairman routinely assesses the performance of the Board and its members and discusses any issues with the relevant Directors.

Succession planning is recognised as a material topic for the Company and is the responsibility of the Nominations Committee that makes recommendations to the Board concerning Board appointments.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its decisions will inform the corporate culture of the Company and this in turn will affect the performance of the business. The Board is also conscious that the tone and culture that it sets will greatly impact all aspects of the Company and the way employees behave and operate. The importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives whilst, in particular, meeting the exacting demands of a sophisticated customer base. The Company's culture and ethical approach to business is reflected in the way the Company has been able to develop long-term and fruitful relationships with its clients and in the longevity of the employment of many members of staff.

The Company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn is expected to ensure the delivery of its core objectives of sustained real growth in future profitability.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Company maintains appropriate governance structures and processes according to its size and complexity.

There is a clear division of responsibility between the Non-Executive Chairman and the Chief Executive. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company.

The role of the Independent Non-Executive Directors includes questioning and challenging the Executive Directors and assisting where possible in developing strategic proposals, reviewing and commenting on the integrity of the Company's financial reporting systems and the information they provide; recommending appropriate standards of corporate governance; reviewing internal control systems; ensuring that risk management systems are robust and reviewing corporate performance and ensuring that such performance is reported consistently, accurately and promptly to shareholders. The roles of the Board and its Committees are described in section 5 above.

Compliance with the Code and corporate governance requirements generally are reviewed on an ongoing basis by the Board as well as part of the annual Board Performance Review process.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Bioventix recognises that meaningful engagement with its shareholders is integral to the continued success of the Company. Throughout the year the Company actively engages and maintains a healthy dialogue with institutional and significant shareholders through meetings, presentations and roadshows. Smaller private investors are encouraged to attend the AGM, when permitted, at which the Company's activities are considered and there is an opportunity for shareholders to meet, discuss the Company's business and governance and for questions to be answered. General information is available on the Company's website and the Board believes that the Annual Report and the Interim Report published at the half-year, play an important part in presenting all shareholders with a timely assessment of the Company's position and prospects. All RNS press releases are published on the Company's website.

Board Committees

The Board is supported by three committees: an Audit Committee, a Remuneration Committee and a Nominations Committee, each with delegated duties and responsibilities. Each committee is comprised of the two Non-Executive Directors, one of whom is the Chairman of that committee, and has access to all information, resources and advice, at the Company's cost, that the committee Chairman deems necessary to discharge its duties.

The Audit Committee, with Ian Nicholson as Chairman, determines and examines any matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. In addition, it considers the financial performance, position and prospects of the Company and ensures they are properly monitored and reported on. The Audit Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Audit Committee are published on the Company's website.

The Remuneration Committee, with Nick McCooke as Chairman, reviews the performance of the Executive Directors and sets their remuneration, determines the payment of bonuses to the Executive Directors and considers the Company's bonus and option schemes. The Remuneration Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Remuneration Committee are published on the Company's website.

The Nomination Committee, with Nick McCooke as Chairman, reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board with regard to any changes; gives consideration to succession planning for directors and other senior executives and evaluates the balance of skills, knowledge, experience and diversity on the Board. The formal terms of reference for the Nomination Committee are published on the Company's website.

Audit Committee report

This report has been produced by the Audit Committee and approved by the Board.

The Audit Committee is responsible for ensuring that Bioventix maintains a strong control environment. It provides effective governance over the Company's financial reporting, including oversight and review of the systems of internal control and risk management and the performance of the external audit functions.

The Committee's formal terms of reference, which are reviewed and approved annually, set out its duties delegated by the Board. The Audit Committee has previously determined that an internal audit function is not an appropriate mechanism for Bioventix due to the Company's small size, the level of complexity of its operations and the close day-to-day involvement of the Executive Directors.

During the year, the Committee met twice. We considered the integrity of the Company's financial reporting and provided advice to the Board that the 2021 Annual Report and Accounts, and the Interim Report for the six months to 31 December 2020 taken as a whole, are fair, balanced and understandable and provides the Company's shareholders with the necessary information to assess the Company's position, performance, business model and strategy.

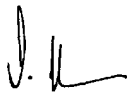
The Audit Committee is comprised of the two Independent Non-Executive Directors with the Executive Directors only attending by invitation; the Committee invites the external auditor to attend certain meetings. The Committee is authorised by the Board to, wherever necessary, obtain external professional advice at the Company's expense in order to perform its duties which are to:

- make recommendations to the Board on the appointment of the external auditor and the amount of its remuneration;
- discuss and agree the scope of the audit, review the auditor's management letter and the Company's response;
- review half-year and annual financial statements and formal announcements relating to financial performance;
- review the adequacy and effectiveness of the Company's internal financial controls, and internal control and risk management systems;
- consider compliance with relevant laws and regulations; and
- review the Committee's terms of reference and recommend any proposed changes to the Board for approval.

During the financial year the Committee considered the following matters:

- the suitability of the Company's accounting policies and practices;
- the half-year and full-year financial results, including the assessment of going concern and that it is appropriate to adopt that basis for the preparation of results:
- the auditor's full-year report for 2021;
- re-appointment of James Cowper Kreston as the Company's external auditor;
- the review and approval of the external auditor's plan for 2021; and
- the review and approval of the external auditor's fees for 2021.

The objective of this report is to explain the work of the Audit Committee and how it contributes to the maintenance of governance standards at Bioventix. The activities of the Committee are kept under review in line with regulatory and market developments and current thinking on best practice. The Board welcomes communication from shareholders and should any have suggestions regarding the scope and activity of the Audit Committee they should address it to the Chairman of the Audit Committee at Bioventix PLC.



Ian Nicholson
Chairman of the
Audit Committee

Date
15/10/21

Remuneration Committee report

This Remuneration report has been prepared by the Remuneration Committee and approved by the Board.

The Remuneration Committee, with Nick McCooke as Chairman, reviews the performance of the Executive Directors and sets their remuneration, determines the payment of bonuses to the Executive Directors and considers the Company's bonus and option schemes. The Remuneration Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Remuneration Committee are published on the Company's website.

In assessing appropriate remuneration arrangements, the Remuneration Committee takes into account relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit and links a key part of the Chief Executive's remuneration to the Company's financial and operational performance.

Remuneration policy
The Committee aims to ensure that total remuneration is set at an appropriate level for the Company and its operations.

The objectives and core principles of the remuneration policy are to ensure:
- remuneration levels support the Company strategy;
- an appropriate link between performance and reward;
- linking of long-term incentives to shareholder returns; and
- good teamwork by enabling all employees to share in the success of the business.

There are four elements that together can make up the remuneration packages for the Executive Directors:
- basic annual salary or fees;
- benefits in kind;
- discretionary annual bonus; and
- a long-term incentive plan.

Basic salary
The basic salary of each of the Executive Directors is normally determined by the Committee towards the end of each financial year with any changes taking effect from 1 July. Basic salary is reviewed and adjustments are made taking into account individual performance, market factors and sector conditions.

Benefits in kind and cash equivalents
Benefits provided to the Chief Executive during the year comprised pension contributions.

Discretionary bonuses
A cash bonus award for performance during financial year 2020/21 was made to the Chief Executive and most staff at the end of the year. Bonus criteria for the Chief Executive are based on performance criteria that are designed to align with shareholder interests and comprise factors relating to shareholder return, earnings per share and performance against agreed long-term corporate and operational milestones.

Share Option Plan
The Company operated two share option schemes in the year:

i. a Tax-Advantaged Enterprise Management Incentive (EMI) Share Option Scheme; and
ii. an Unapproved Share Option Scheme.

Under the terms of the 2013 EMI Share Option Scheme, which was adopted in 2013, the Company may grant tax-advantaged share options to Directors and employees who meet certain eligibility conditions. Performance conditions have not applied to the EMI options granted, and exercise is triggered upon a change of control

of the Company or voluntary winding up. All options vest in full on the occurrence of such a trigger event, and all options lapse upon the tenth anniversary of grant or in certain other circumstances, such as where the option holder becomes a leaver (other than a "Good Leaver" who exercises their option), or where an option holder becomes bankrupt.

The rules of the Unapproved Share Option Scheme mirror those of the EMI Share Option Scheme, subject to certain minor amendments. It is however a non-tax advantaged scheme and facilitates the grant of share options to those key staff and directors who are ineligible for the award of share options under the EMI Share Option Scheme. Options granted under the Unapproved Share Option Scheme are fully taxable on exercise.

Non-Executive Directors' fees

The Non-Executive Directors receive a fee for carrying out their duties and responsibilities. The level of such fees is set and reviewed annually by the Board, excluding the Non-Executive Directors. The Non-Executive Directors do not currently receive additional fees for acting as members of the Board's various committees.

Directors' remuneration

Director	Position	Salary £	Bonus £	Pension £	2021 £	2020 £
Peter Harrison	Chief Executive Officer	177,739	82,846	10,229	270,814	269,801
Nick McCooke	Non-Executive Director	26,780	-	-	26,780	26,000
Ian Nicholson	Non-Executive Director	33,990	-	-	33,990	33,000
Treena Turner	Non-Executive Director	-	-	-	-	-
Bruce Hiscock	Chief Financial Officer	61,660	-	-	61,660	-
Total		**300,169**	**82,846**	**10,229**	**393,244**	**328,801**

The Chief Executive bonus above was determined by the Remuneration Committee. The basis was designed to be consistent with companies of a similar profile and contains performance conditions relating to Earnings per Share (EPS) and share price parameters, together with a smaller Research and Development (R&D) element.

The Committee met in July 2021 and considered Director remuneration for the financial year 2021/22. In light of the ongoing COVID-19 pandemic and the ensuing uncertainty it was deemed that remuneration would remain unchanged for 2021/22 and that the Committee would carry out a comprehensive review for 2022/23.

Renumeration report cont.

Directors' Interests in the share capital of Bioventix PLC

Ordinary shares of 5p each

	Ordinary shares of 5p each	
Director	**30 June 2021**	**30 June 2020**
Peter Harrison	416,676	*416,676*
Ian Nicholson	15,500	*15,500*
Nicholas McCooke	-	-
Bruce Hiscock	-	-

Options over Ordinary shares of 5p each

Director	Date of Grant	Total Options held 30/06/2021	Exercise Price Per Share	Exercise Period
Peter Harrison	06/01/2017	5,204	£13.50	06/01/2020 - 06/01/2027
Peter Harrison	14/02/2020	9,071	£38.55	14/02/2023 - 14/02/2030
Ian Nicholson	17/01/2020*	3,238	£13.50	06/01/2020 - 06/01/2027
Ian Nicholson	14/02/2020	1,712	£38.55	14/02/2023 - 14/02/2030
Nick McCooke	17/01/2020*	2,752	£13.50	06/01/2020 - 06/01/2027
Nick McCooke	14/02/2020	1,349	£38.55	14/02/2023 - 14/02/2030

*Following legal advice Options granted to two directors under the Company's EMI Share Option Scheme on 6/1/2017 were surrendered and regranted with replacement non-EMI Share Options granted under the Company's Unapproved Share Option Scheme on 17/1/2020; the key terms and conditions relating to price, vesting and option periods for the regranted options remained unchanged from those originally granted which were surrendered. However, the replacement non-EMI options will not benefit from the tax-advantaged status of EMI Options.

The total charge to reflect the cost of those share options in issue during the year was £257,629 (2020: £115,481); of this charge the following amounts related to the Directors:

Peter Harrison – £32,823 (2020: £14,955)
Nick McCooke – £30,149 (2020: £13,142)
Ian Nicholson – £35,978 (2020: £15,653)

Shareholder feedback

The objective of this report is to communicate the remuneration of the Directors and how this is linked to performance. In this regard the Board is committed to maintaining an open transparent dialogue with shareholders and is always interested to hear their views on remuneration matters.

Nick McCooke
Chairman of the
Remuneration Committee

Date
15/10/21

Nomination Committee report

This Nomination Committee report has been prepared by the Nomination Committee and approved by the Board.

The Nomination Committee, with Nick McCooke as Chairman, reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board with regard to any changes; gives consideration to succession planning for Directors and other senior executives and evaluates the balance of skills, knowledge, experience and diversity on the Board.

The main responsibilities of the Committee are as follows:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- giving full consideration to succession planning.
- keeping under review the leadership needs of the organisation;
- being responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- reviewing the results of the Board performance evaluation process that relate to the composition of the Board;
- formulating plans for succession for both Executive and Non-Executive Directors;
- nominating membership of the Audit and Remuneration Committees;
- any matters relating to the continuation in office of any Director at any time including the appointment or removal of any Director to Executive or other office.

The Nomination Committee is also responsible for the Board's policy on diversity. Bioventix is a small, niche business and has a very limited number of employees and Directors. Unlike large organisations it can therefore be difficult to realistically set and then meet meaningful targets for diversity. The Board recognises the benefits of diversity in its broadest sense and the value it brings to the business and this can be seen in Bioventix in the age range of our employees and their 50/50 gender split. A diversity of skills, background knowledge, international and industry experience, race and gender, amongst many other qualities, will always be taken into consideration when seeking to appoint new Directors to the Board.

The Committee met twice during the year to consider the composition of the Board and, in particular, to review the requirement to appoint further Non-Executive Directors as the business grows. Future appointments will be made based on required expertise to match the needs of the business whilst bearing in mind the need to introduce diversity into the Board composition.

Nicholas McCooke
Chairman of the
Nomination Committee

Date
15/10/21

Independent Auditor's report to the members of Bioventix PLC

Opinion
We have audited the financial statements of Bioventix PLC (the 'company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK and Ireland)'). We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits we also addressed the risk of management override of internal controls, including evaluating whether there is evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account our understanding of the company and its environment, the accounting processes and controls, and the industry in which the company operates. The company operates via a standalone trading entity and thus a full scope audit was performed on this trading entity.

The risks of material misstatement that had the greatest effect on our audit, including the allocation

of our resources and effort, are identified in the Key audit matters section below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition
Risk description
Revenue recognition is considered a significant risk on most audits. There is also an inherent risk around the completeness and cut-off of licence revenue given the reliance on customer self-declarations and the timing of receipt of these.

How the scope of our audit responded to the risk
To assess the appropriateness and completeness of revenue recognised in the year we performed the following procedures:

- reviewed the design and implementation of managements controls surrounding the self-declaration of royalty income and the completeness of this income stream;
- examined on a sample basis the royalty self-declarations made by customers for the year and agreed these to revenue recognised by the Company;
- examined a sample of revenue transactions by reference to underlying contractual terms;
- examined on a sample basis goods delivery notes, invoices and postings for items dispatched around the period end;
- reviewed manual journals posted to the revenue account in the period and subsequent to year end gaining an understanding of the appropriateness of these;
- considered the appropriateness and application of the Company's accounting policy for revenue recognition; and
- considered the disclosures in the financial statements regarding revenue.

Key observations
The results of our testing were satisfactory and we consider the disclosure surrounding revenue to be appropriate.

Management override
Risk description
In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about the carrying value of assets and liabilities that are not available from other sources.

How the scope of our audit responded to the risk
During the course of our audit we performed the following procedures to address the risk of management override:

- assessed the appropriateness of accounting policy choices made by management and the basis of key judgements, estimates and assumptions;
- reviewed manual journal entries posted within the period for indicators of management bias, transactions outside the normal course of business or indicators of fraudulent activity;
- examined on a sample basis manual journals deemed to be higher risk gaining an appropriate understanding of the business rationale as well as confirming the accuracy of postings; and
- considered the value, nature and cause of misstatements identified during the course of the audit to identify indicators of bias.

Key observations
The results of our testing were satisfactory and we consider the disclosure surrounding accounting policy choices and key accounting judgements to be appropriate.

Independent Auditor's report to the members of Bioventix PLC cont.

Valuation of investments
Risk description
The company holds two unlisted investments, there is a risk that these investments are not being carried at fair value where appropriate.

How the scope of our audit responded to the risk
To assess the accuracy and completeness of investment valuations we have performed the following procedures:

- reviewed the company's accounting policy for the valuation of investments against the requirements of accounting standards, and considered whether this policy has been implemented;
- considered the availability and reliability of evidence to support fair value estimates; and
- considered the disclosures in the financial statements regarding investments.

Key observations
The results of our testing were satisfactory.

Our application of materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement we determined materiality for the financial statements as a whole to be £406,000 (2020: £411,000), based on 5 percent of pre-tax profit of £8,118,000. Performance materiality of £325,000 (2020: £329,000) was applied for testing and it was agreed with the board that we would report on all audit differences in excess of £20,000 (2020: £20,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Materiality in the prior year was also based on 5 percent of pre-tax profit.

We also report on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information included in the annual report
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit of otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for the audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on pages 21 to 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operating, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's report to the members of Bioventix PLC cont.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

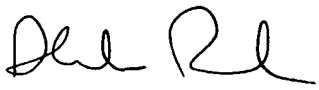
The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in the Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Peal BSc (Hons) FCA DChA
(Senior Statutory Auditor)
For and on behalf of
James Cowper Kreston

Statutory Auditors
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS
United Kingdom

Date: 15/10/21

Statement of comprehensive income for the year ended 30 June 2021

	Note	2021 £	2020 £
Turnover	4	**10,930,588**	*10,313,576*
Cost of sales		**(817,448)**	*(821,823)*
Gross profit		**10,113,140**	*9,491,753*
Administrative expenses		**(1,506,741)**	*(1,416,766)*
Difference on foreign exchange		**(294,046)**	*202,668*
Research and development tax credit		**32,878**	*21,817*
Share option charge		**(257,629)**	*(115,481)*
Operating profit	5	**8,087,602**	*8,183,991*
Interest receivable and similar income	8	**30,628**	*41,068*
Profit before tax		**8,118,230**	*8,225,059*
Tax on profit	9	**(1,386,882)**	*(1,022,362)*
Profit for the financial year		**6,731,348**	*7,202,697*
Other comprehensive income for the year			
Total comprehensive income for the year		**6,731,348**	*7,202,697*

The notes on pages 57 to 71 form part of these financial statements.

Earnings per share:	2021 £	2020 £
Basic	**129.22**	*139.41*
Diluted	**127.94**	*137.93*

The notes on pages 57 to 71 form part of these financial statements.

Statement of financial position as at 30 June 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	11		**843,720**		*718,496*
Investments	12		**610,039**		*610,039*
			1,453,759		*1,328,535*
Current assets					
Stocks	13	**332,459**		*245,423*	
Debtors: amounts falling due within one year	14	**4,625,967**		*3,649,369*	
Cash at bank and in hand	15	**6,494,985**		*8,076,468*	
		11,453,411		*11,971,260*	
Creditors: amounts falling due within one year	16	**(1,008,772)**		*(728,630)*	
Net current assets			**10,444,639**		*11,242,630*
Total assets less current liabilities			**11,898,398**		*12,571,165*
Provisions for liabilities					
Deferred tax	17	**(78,084)**		*(50,238)*	
			(78,084)		*(50,238)*
Net assets			**11,820,314**		*12,520,927*
Capital and reserves					
Called up share capital	18		**260,467**		*260,392*
Share premium account	19		**1,332,471**		*1,312,323*
Capital redemption reserve	19		**1,231**		*1,231*
Profit and loss account	19		**10,226,145**		*10,946,981*
			11,820,314		*12,520,927*

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

Peter Harrison
Director

Date
15/10/21

The notes on pages 57 to 71 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2020	260,392	1,312,323	1,231	10,946,981	12,520,927
Comprehensive income for the year					
Profit for the year	-	-	-	6,731,348	6,731,348
Dividends: Equity capital	-	-	-	(7,709,813)	(7,709,813)
Shares issued during the year	75	20,148	-	-	20,223
Share option charge	-	-	-	257,629	257,629
Total transactions with owners	75	20,148	-	(7,452,184)	(7,431,961)
At 30 June 2021	260,467	1,332,471	1,231	10,226,145	11,820,314

The notes on pages 57 to 71 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2019	257,134	435,908	1,231	10,132,030	10,826,303
Comprehensive income for the year					
Profit for the year	-	-	-	7,202,697	7,202,697
Dividends: Equity capital	-	-	-	(6,503,227)	(6,503,227)
Shares issued during the year	3,258	876,415	-	-	879,673
Share option charge	-	-	-	115,481	115,481
Total transactions with owners	3,258	876,415	-	(6,387,746)	(5,508,073)
At 30 June 2020	260,392	1,312,323	1,231	10,946,981	12,520,927

The notes on pages 57 to 71 form part of these financial statements.

Statement of cash flows for the year ended 30 June 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	**6,731,348**	*7,202,697*
Adjustments for:		
Depreciation of tangible assets	**135,103**	*133,569*
(Profit)/Loss on disposal of tangible assets	**(500)**	*2,376*
Interest received	**(30,628)**	*(41,068)*
Taxation charge	**1,386,882**	*1,022,362*
(Increase) in stocks	**(87,036)**	*(6,128)*
(Increase)/decrease in debtors	**(976,596)**	*284,546*
Increase in creditors	**59,514**	*133,976*
Corporation tax (paid)	**(1,138,410)**	*(1,164,897)*
Share option charge	**257,629**	*115,481*
Net cash generated from operating activities	**6,337,306**	*7,682,914*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(260,327)**	*(339,620)*
Sale of tangible fixed assets	**500**	-
Purchase of unlisted and other investments	**-**	*(221,662)*
Interest received	**30,628**	*41,068*
Net cash from investing activities	**(229,199)**	*(520,214)*
Cash flows from financing activities		
Issue of ordinary shares	**20,223**	*879,673*
Dividends paid	**(7,709,813)**	*(6,503,227)*
Net cash used in financing activities	**(7,689,590)**	*(5,623,554)*
Net (decrease)/increase in cash and cash equivalents	**(1,581,483)**	*1,539,146*
Cash and cash equivalents at beginning of year	**8,076,468**	*6,537,322*
Cash and cash equivalents at the end of year	**6,494,985**	*8,076,468*
Cash and cash equivalents at the end of year comprise:	**6,494,985**	*8,076,468*
Cash at bank and in hand	**6,494,985**	*8,076,468*

The notes on pages 57 to 71 form part of these financial statements.

Analysis of net debt for the year ended 30 June 2021

	At 1 July 2020 £	Cash flows £	At 30 June 2021 £
Cash at bank and in hand	**8,076,468**	**(1,581,483)**	**6,494,985**
	8,076,468	**(1,581,483)**	**6,494,985**

The notes on pages 57 to 71 form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2021

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.

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 judgement 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 the 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.

2.3 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.

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.

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 life.

Freehold property	2% straight line
Plant and equipment	25% reducing balance
Motor vehicles	25% straight line
Fixtures and fittings	25% reducing balance
Equipment	25% straight line

2.9 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.

2.10 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.

Notes to the financial statements for the year ended 30 June 2021 cont.

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.

2.11 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.

2.12 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 12 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.

2.13 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.

2.14 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 profit or loss 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.

2.15 Financial instruments
The Company only enters into basic financial instrument 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 ordinary shares.

2.16 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.

2.17 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. Judgements 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 judgements, estimates and assumptions. These estimates and underlying assumptions and 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 and, 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. The carrying value of these investments will continue to be historic cost.

Notes to the financial statements for the year ended 30 June 2021 cont.

4. Turnover

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

	2021 £	2020 £
Product revenue and R&D income	**3,620,416**	*4,048,847*
Royalty and licence fee income	**7,310,172**	*6,264,729*
	10,930,588	*10,313,576*
United Kingdom	**824,518**	*832,895*
European Union	**1,246,024**	*1,206,854*
Rest of the world	**8,860,046**	*8,273,827*
	10,930,588	*10,313,576*

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	**135,104**	*133,569*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**12,500**	*10,650*
Exchange differences	**294,046**	*(202,668)*
Research and development costs	**1,201,236**	*1,175,602*

6. Employees

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

	2021 £	2020 £
Wages and salaries	**908,322**	*870,794*
Social security costs	**103,316**	*92,271*
Share option charge	**257,629**	*115,481*
Cost of defined contribution scheme	**33,088**	*29,316*
	1,302,355	*1,107,862*

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

	2021 No.	2020 No.
Management and administration	**5**	*4*
Scientific	**12**	*12*
	17	*16*

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	**379,632**	*319,947*
Company contributions to defined contribution pension schemes	**10,229**	*8,854*
	389,861	*328,801*

During the year retirement benefits were accruing to one director (2020: 1) in respect of defined contribution pension schemes.

Notes to the financial statements for the year ended 30 June 2021 cont.

8. Interest receivable

	2021 £	2020 £
Other interest receivable	**30,628**	*41,068*
	30,628	*41,068*

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	**1,359,036**	*1,002,978*
	1,359,036	*1,002,978*
Total current tax	**1,359,036**	*1,002,978*
Deferred tax		
Origination and reversal of timing differences	**27,846**	*19,384*
Total deferred tax	**27,846**	*19,384*
Taxation on profit on ordinary activities	**1,386,882**	*1,022,362*

Factors affecting tax charge for the year
The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	*2020* *£*
Corporation tax		
Profit on ordinary activities before tax	**8,118,230**	*8,225,059*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)		
Effects of:	**1,542,464**	*1,562,761*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**42**	*559*
Capital allowances for year in excess of depreciation	**(6,398)**	*(21,325)*
Research and development tax credit	**(226,022)**	*(246,383)*
Share-based payments	**48,950**	*(292,634)*
Other differences leading to an increase in the tax charge	**27,846**	*19,384*
Total tax charge for the year	**1,386,882**	*1,022,362*

Factors that may affect future tax charges
The UK rate of corporation tax is set to be increased from the current rate of 19% to 25% with effect from 1 April 2023. This change will increase the tax charge in future years such that, had the change been in place for the current year, it would have increased by £429,169 from £1,359,036 to £1,788,205.

10. Dividends

	2021 £	*2020* *£*
Dividends paid	**7,709,813**	*6,503,227*
	7,709,813	*6,503,227*

Notes to the financial statements for the year ended 30 June 2021 cont.

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation						
At 1 July 2020	**475,000**	**549,018**	**7,500**	**250,740**	**20,830**	**1,303,088**
Additions	**-**	**72,813**	**13,090**	**164,239**	**10,186**	**260,328**
Disposals	**-**	**-**	**(7,500)**	**-**	**-**	**(7,500)**
At 30 June 2021	**475,000**	**621,831**	**13,090**	**414,979**	**31,016**	**1,555,916**
Depreciation						
At 1 July 2020	**135,375**	**328,562**	**7,500**	**93,071**	**20,084**	**584,592**
Charge for the year on owned assets	**7,125**	**65,201**	**1,636**	**60,362**	**780**	**135,104**
Disposals	**-**	**-**	**(7,500)**	**-**	**-**	**(7,500)**
At 30 June 2021	**142,500**	**393,763**	**1,636**	**153,433**	**20,864**	**712,196**
Net book value						
At 30 June 2021	**332,500**	**228,068**	**11,454**	**261,546**	**10,152**	**843,720**
At 30 June 2020	*339,625*	*220,456*	*-*	*157,669*	*746*	*718,496*

Included within land and buildings is freehold land at cost of £118,750 which is not depreciated. (2020: £118,750).

12. Fixed asset investments

	Unlisted investments
Cost or valuation	
At 1 July 2020	**610,039**
At 30 June 2021	**610,039**

Notes to the financial statements for the year ended 30 June 2021 cont.

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	**332,459**	*245,423*
	332,459	*245,423*

14. Debtors

	2021 £	2020 £
Trade debtors	**638,077**	*639,045*
Other debtors	**8,244**	*5,340*
Prepayments and accrued income	**3,979,646**	*3,004,984*
	4,625,967	*3,649,369*

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**6,494,985**	*8,076,468*
	6,494,985	*8,076,468*

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**150,854**	*96,068*
Corporation tax	**542,050**	*321,424*
Other taxation and social security	**37,275**	*19,327*
Accruals and deferred income	**278,593**	*291,811*
	1,008,772	*728,630*

17. Deferred taxation

	2021 £	2020 £
At beginning of year	**(50,238)**	*(30,854)*
Charged to profit or loss	**(27,846)**	*(19,384)*
At end of year	**(78,084)**	*(50,238)*

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	**(78,084)**	*(50,238)*
	(78,084)	*(50,238)*

Notes to the financial statements for the year ended 30 June 2021 cont.

18. Share capital

	2021 £	*2020 £*
Allotted, called up and fully paid		
5,209,333 (2020: 5,207,835) Ordinary shares of £0.05 each	**260,467**	*260,392*

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.

1,498 ordinary shares were issued during the year at £13.50 per share. The aggregated nominal value was £74.90.

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 and 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 two 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) 2021	Number 2021	*Weighted average exercise price (pence) 2020*	*Number 2020*
Outstanding at the beginning of the year	**2942.00**	**57,103**	*1350.00*	*85,938*
Granted during the year	**-**	**-**	*3153.00*	*50,401*
Forfeited during the year	**3855.00**	**(3,401)**	*1350.00*	*(14,075)*
Exercised during the year	**1350.00**	**(1,498)**	*1350.00*	*(65,161)*
Outstanding at the end of the year	**2928.00**	**52,204**	*2942.00*	*57,103*

	2021	*2020*
Option pricing model used	**Black Scholes**	*Black Scholes*
Issue price	**£13.50-£38.55**	*£13.50-£38.55*
Exercise price (pence)	**£13.50-£38.55**	*£13.50-£38.55*
Option life	**10 years**	*10 years*
Expected volatility	**25.15%**	*25.15%*
Fair value at measurement date	**£4.66-£26.91**	*£4.66-£26.91*
Risk-free interest rate	**0.18%**	*0.18%*

The expected volatility is 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 2021 was £257,629 (2020: £115,481).

The number of staff and officers holding share options at 30 June 2021 was 14 (2020: 17). The share options have been issued to underpin staff service conditions.

Notes to the financial statements for the year ended 30 June 2021 cont.

21. Earnings per share
The weighted average number of shares in issue for the basic earnings per share calculation is 5,209,308 (2020: 5,166,503) and for the diluted earnings per share, assuming the exercise of all share options is 5,261,512 (2020: 5,222,108).

The calculation of the basic earnings per share is based on the profit for the period of £6,731,348 (2020: £7,202,697) divided by the weighted average number of shares in issue of 5,209,308 (2020: 5,166,503), the basic earnings per share is 129.22p (2020: 139.41p). The diluted earnings per share, assuming the exercise of all of the share options is based on 5,261,512 (2020: 5,222,108) shares and is 127.94p (2020: 137.93p).

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 cost charge represents contributions payable by the Company to the fund and amounted to £33,088 (2020: £29,316). No contributions were owing at the year end (2020: £nil).

23. Related party transactions
During the year a dividend of £616,680 (2020: £535,362) was paid to a director and his wife.

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

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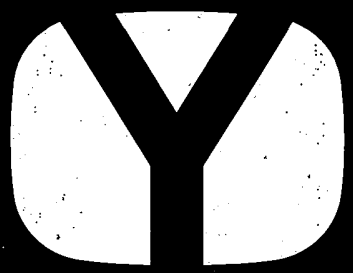

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