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**HVIVO PLC**  
(“hVIVO” or the “Company”)

**hVIVO invests in PrEP Biopharm Limited to further develop new prophylactic treatment for respiratory infections**

hVIVO plc (AIM: HVO), the pioneer of human challenge models of disease, is delighted to announce its investment in PrEP Biopharm Limited (“PrEP”) to continue the development of the prophylactic compound PrEP-001 (previously JNJ-43260295). In addition to hVIVO, lead investors in the UK-based start-up company include Johnson & Johnson Innovation – JJDC, Inc. and US-based angel investors.

PrEP-001 is a nasally administered, broad-spectrum agent that leverages the innate immune system to prevent upper respiratory tract viral infections (colds and flus) and is designed to help the large number of patients that suffer substantial morbidity and mortality as a result of upper respiratory viral infections.

A successful proof of concept study of the compound was conducted by Janssen using hVIVO’s platform in 2013-14. PrEP is developing infectious disease products and technologies licensed from Janssen and will take the compound’s development forward. It will conduct phase IIa studies in flu and asthma patients in hVIVO’s facility during 2015 and 2016, further leveraging the hVIVO platform’s speed of trial conduct and ability to generate clear efficacy signals.

With this investment, hVIVO takes a significant stake in a new company developing a product that hVIVO has already helped to advance and is well placed to support in transitioning into later phase trials in at-risk patient groups. Janssen is granting a worldwide license to PrEP in exchange for equity in PrEP, together with downstream milestones and royalties. hVIVO is acquiring equity in PrEP for £14.0 million cash consideration and PrEP is contracting with hVIVO Services Limited to conduct a £10.0 million Phase IIa clinical programme of work in 2015 and 2016. hVIVO’s investment will be accounted for as an investment in associate in its balance sheet and, in the application of the equity method as an associate, the £10.0 million Phase IIa clinical programme of work will be recognised as revenue.

Kym Denny, Chief Executive Officer, comments, “We are delighted to be continuing the development of this important product, now as a key stakeholder and significant shareholder. Working closely with PrEP, we look forward to leveraging the hVIVO platform to its full potential, accelerating PrEP-001 through its clinical development in order to reach patients soonest.”

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**Notes to Editors:**

hVIVO is a life sciences company pioneering a technology platform of human disease models to accelerate drug discovery and development in respiratory and infectious diseases.

Through its illumination of the entire disease life cycle from healthy to sick and back to health, the hVIVO platform captures disease in motion and promotes rational selection of drug targets and biomarkers in respiratory and infectious diseases, such as flu and colds. It brings together a revolutionary set of capabilities in product validation testing and the mining of biological insights, in order to tackle the long timeline, significant costs and high risks to market facing drug development and diagnostic organisations today.

A market leader in human disease models and challenge studies, hVIVO has commercialised four disease models, successfully enrolled over 2,000 subjects and conducted over 40 product validation studies for a wide range of industry, government and academia clients and collaborators.