For immediate release 7.00am: 22 April 2016

HVIVO PLC

("hVIVO" or the "Company")

hVIVO announces a joint venture investment with the SEEK Group to develop vaccines against flu and Zika infections

- *Plans Phase IIa clinical study of universal flu vaccine in the hVIVO platform*
- *Expects to begin Zika vaccine Phase I clinical study at the National Institutes of Health (NIH) in Bethesda, Md., later this year*

hVIVO plc (AIM: HVO), the pioneer of human models of disease, today announces a joint venture investment with the SEEK Group ("SEEK") to develop vaccines against influenza (flu) and mosquito-borne diseases, such as Zika and other flaviviruses. The joint venture investment in a new company Imutex Limited ("Imutex") strengthens hVIVO's commercial flu portfolio and expands it into the adjacent therapeutic area of mosquito-borne diseases, with immediate focus on Zika.

The development of universal flu and Zika vaccines are key public health priorities identified by the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH) in the United States. Imutex will collaborate with the National Institute of Allergy and Infectious Diseases (NIAID) to accelerate development of both vaccines this year. Depending upon the outcomes of these studies, Imutex may also pursue Fast Track designation for these vaccines.

Universal Flu Programme

Current seasonal flu vaccines have ranged in effectiveness between 10% and 60% during the past 10 years, highlighting the innate variability in circulating flu strains from year to year. Imutex will be leveraging "universal flu" technology licensed from SEEK to develop a broad spectrum vaccine, called FLU-v, against multiple flu strains. FLU-v works by targeting conserved internal proteins common to all flu viruses to activate T and B-cells, key components of the human immune system response. The success of such an approach would eliminate the sensitivity to strain variability seen with traditional vaccines and promote single vaccine coverage for all flu strains.

Working closely with NIAID, Imutex will be leveraging the hVIVO platform to conduct a Phase IIa clinical study of FLU-v to evaluate the efficacy and safety of this novel vaccine. Study design is well advanced and the Phase IIa study is expected to commence in the near future.

Zika Vaccine Programme

While related to dangerous mosquito-borne viruses dengue and West Nile, Zika has historically not been considered a serious public health threat. That changed earlier this year when Zika was designated by the World Health Organisation (WHO) as a Public Health Emergency based on its association with congenital and neurological disorders coupled with its rapid spread. Zika is now present in over 50 countries and hundreds of Americans in US territories already infected with the virus. As a result, officials from the CDC and NIH warned Congress last week of the potential for mosquitoes carrying Zika to threaten the continental US this summer.

Imutex will be leveraging mosquito-borne disease vaccine technology licensed from SEEK to develop a novel Zika vaccine. Imutex's Zika vaccine has a proposed dual action mechanism, aiming to prevent infection in humans and also to control the mosquito population. It works by creating an anti-saliva immune response in humans that prevents infection. In addition, after the mosquito bites a vaccinated human host, antibodies from the human attack the gut and salivary glands of the mosquito which reduces the survival of the mosquito. If successful in its imminent Zika clinical study, Imutex will further develop the technology in other mosquito-borne illnesses, including malaria, dengue and West Nile.

Working at an accelerated pace due to the WHO declaration regarding Zika, Imutex will collaborate with the NIAID team to perform the vaccine's "First in Man" Phase I clinical trial in the NIH Clinical Center in Bethesda MD in the coming months.

With this investment, hVIVO is acquiring a 49% equity stake in Imutex for £7.0 million in cash consideration and SEEK is contracting with hVIVO Services Limited to conduct a FLU-v Phase IIa clinical study in 2016 for £5.5 million. hVIVO expects to account for its investment as a joint venture in its balance sheet and, in applying the equity method as a joint venture, recognise the £5.5 million FLU-v Phase IIa clinical study as revenue. SEEK owns a 51% equity stake in Imutex and is granting Imutex a worldwide licence of the flu and mosquito-borne disease vaccine platforms and providing services (including the FLU-v Phase IIa clinical study) in exchange for £7.0 million in cash consideration and a downstream commercialisation royalty.

"We are delighted to be working with SEEK in a joint venture investment to advance such ground-breaking vaccine technology against the backdrop of an emerging public health crisis," said Kym Denny, hVIVO's Chief Executive Officer. "Addressing flu's unmet medical need is a key strategic driver for hVIVO and this collaboration allows us to advance that objective whilst simultaneously broadening our reach into the adjacent therapeutic area of mosquito-borne

diseases. We look forward to working closely with our colleagues at SEEK and NIAID in the development of these two key vaccines."

"We believe the combined capability and insight of SEEK with hVIVO and NIAID will add significant value to our vaccine platform development," said Gregory Stoloff, Chief Executive Officer of SEEK. "The joint venture investment in Imutex creates a vehicle to leverage speed of trial conduct with world class science and development expertise. We look forward to accelerating these two assets through their upcoming trials quickly, in order to bring safe and effective vaccines to market rapidly and economically."

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About hVIVO

hVIVO plc ("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, including flu, RSV, asthma and common cold. 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 academic clients and collaborators.

About the SEEK Group

SEEK's strategy is to bring safe, effective and low cost medicines to patients as quickly as possible, to radically improve human health in major disease areas.

We do this by:

- Modifying existing medicines to improve their efficacy
- Using existing medicines in new indications
- Creating new chemical entities

Working in these different ways allows us to optimise the regulatory approval pathway to ensure that we bring safe and effective products to patients in the shortest possible time.