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HVIVO PLC
(“hVIVO” or the “Company”)

Trading Update

hVIVO plc (AIM: HVO), a specialty biopharma company with clinical testing capabilities, announces a trading update regarding the accounting treatment of the Company’s joint venture investment in Imutex Limited (“Imutex”). This reverses the change in accounting treatment for Imutex announced on 21 September 2016 and returns to the original position announced on 22 April 2016 to recognise the £5.5 million FLU-v Phase IIa clinical study as revenue as the work is completed.

This aligns and makes consistent the accounting treatment of hVIVO’s equity investments in PrEP Biopharm Limited (“PrEP”) and Imutex. It is only a revenue measurement and presentation difference for Imutex with no net effect to hVIVO’s financials, no change in underlying economic value, no change in net income and no cash flow impact. Accordingly, hVIVO’s revenue expectation for the year ended 31 December 2016 increases for the revenue from the FLU-v clinical study.

On 22 April 2016 hVIVO announced its joint venture investment in Imutex with the SEEK Group (“SEEK”) to develop vaccines against influenza (flu) and mosquito-borne diseases like Zika. hVIVO acquired a 49% equity stake in Imutex for £7.0 million in consideration and SEEK contracted with hVIVO Services Limited to conduct a FLU-v Phase IIa clinical study for £5.5 million. Following the appointment of Ernst & Young LLP (“EY”) as the Company’s auditor on 28 December 2016, and as part of its maiden audit, EY conducted a detailed review of the accounting judgements and treatment of the Company’s equity investments in PrEP and Imutex, which has led to this change in accounting treatment for Imutex.

The Company will announce its audited preliminary results for the year ended 31 December 2016 at 7.00am on Thursday 20 April 2017. hVIVO now expects to report revenue for the year ended 31 December 2016 of £19.9 million and a gross profit margin of 21.3%. In addition, the Company expects to report cash balances as at 31 December 2016 of £25.7 million.

Kym Denny, Chief Executive Officer, comments, “I look forward to announcing our 2016 prelims next week and communicating the significant steps we are making in our quest for precision medicines in respiratory and infectious disease. I am pleased that the question regarding accounting treatment of hVIVO’s equity investments has been resolved and that we are able to align the accounting treatment of the PrEP and Imutex transactions.”

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Notes to Editors:

hVIVO plc (“hVIVO”), a specialty biopharma company with clinical testing capabilities, is pioneering a human-based analytical platform to accelerate drug discovery and development in respiratory and infectious diseases. Leveraging human disease models in flu, RSV, and asthma exacerbation, the hVIVO platform captures disease in motion, illuminating the entire disease life cycle from healthy to sick and back to health. Based in the UK, market leader hVIVO has conducted more than 45 clinical studies, inoculated over 2000 volunteers and has three First-In-Class therapies currently in development with a growing pre-clinical pipeline.