THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom or, if not, from another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. **In particular, such documents should not be forwarded to, or transmitted in or into, the United States.**

If you have sold or otherwise transferred only some of your Ordinary Shares, you should retain this document and the Form of Proxy and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the accompanying Form of Proxy and the Notice of General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Non-Executive Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

The Company and the Directors, whose names appear on page 7 of this document, accept responsibility, both individually and collectively, for the information set out in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. The New Ordinary Shares are expected to be admitted to trading on AIM at 8.00 a.m. on 16 December 2015.

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hVIVO PLC

(Incorporated and registered in England and Wales with registered no. 08008725)

Placing of 9,111,111 New Ordinary Shares at a price of 225 pence per share

and

Notice of General Meeting

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as nominated adviser and broker to the Company and no one else in connection with the Placing. The responsibilities of Numis Securities Limited as the Company's nominated adviser and broker, under the AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Numis Securities Limited is not making any representation or warranty, express or implied, as to

the contents or completeness of this document. Numis Securities Limited has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, will not be offering advice and will not be responsible for providing customer protections to any other person (whether or not a recipient of this document) in respect of any acquisition of shares.

The notice of a General Meeting to be held at 10.00 a.m. on 15 December 2015 at Queen Mary BioEnterprises Innovation Centre, 42 New Road, London E1 2AX is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Company's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 48 hours before the time appointed for the General Meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the General Meeting or adjourned meeting, not later than 48 hours before the time appointed for the taking of the poll at the meeting at which it is to be used. **Whether or not you intend to be present at the General Meeting you are requested to complete and return the Form of Proxy as instructed above. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

This document does not constitute or form part of any offer or invitation to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, the Commonwealth of Australia, Canada, Japan or the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The New Ordinary Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state. The New Ordinary Shares are only being offered and sold outside the United States in 'offshore transactions', as defined in, and in reliance on, Regulation S under the Securities Act. Subject to certain exceptions, the New Ordinary Shares may not be offered or sold within the United States. Accordingly, subject to certain exceptions, neither this document nor the accompanying Form of Proxy are being or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States, and persons receiving such documents must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send such documents in or into the United States.

Copies of this document will be available free of charge during normal business hours on any weekday (except public holidays) at the offices of Pinsent Masons LLP at 30 Crown Place, Earl Street, London EC2A 4ES and at the registered office of the Company from the date of this document and shall remain available for a period of one month from Admission. In accordance with AIM Rule 26 a copy of this document will also be available on the Company's website www.hvivo.com from the date of this document.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and therefore undue reliance should not be placed on such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company, the Directors and Numis expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

PLACING STATISTICS

Placing Price	225 pence per New Ordinary Share
Number of Ordinary Shares in issue at the date of this document	68,941,673
Number of New Ordinary Shares to be issued	9,111,111
Number of Ordinary Shares in issue following Admission*	78,052,784
New Ordinary Shares expressed as a percentage of the enlarged share capital following Admission*	11.7 per cent.
Gross Placing Proceeds	£20.5 million
Net Placing Proceeds	c. £20.0 million

* Assuming that all of the New Ordinary Shares are issued and that no other Ordinary Shares are issued prior to Admission

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2015
Circular and Form of Proxy posted	26 November
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 13 December
General Meeting	10.00 a.m. on 15 December
Admission and dealings in the New Ordinary Shares expected to commence on AIM	16 December
CREST stock accounts expected to be credited for the New Ordinary Shares	16 December
Posting of share certificates for New Ordinary Shares (if required) by	23 December

If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules). All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting and assume that the General Meeting is not adjourned.

In this document, all references to times and dates are to those observed in London, United Kingdom.

All references to legislation in this document are to the legislation of England and Wales, unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

"**Act**"	the Companies Act 2006, as amended
"**Admission**"	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies, which set out the rules and responsibilities for companies listed on AIM, as amended from time to time
"**Board**" or "**Directors**"	the board of directors of the Company, whose names are listed on page 7 of this document
"**Circular**" or "**this document**"	this circular giving (amongst other things) details of the Placing and incorporating the Notice of General Meeting
"**Company**" or "**hVIVO**"	hVIVO plc, a public limited company incorporated in England & Wales under registered number 08008725
"**CREST**"	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
"**Existing Ordinary Shares**"	the 68,941,673 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
"**Form of Proxy**"	the accompanying form of proxy for use by Shareholders in relation to the General Meeting
"**General Meeting**"	the general meeting of the Company to be held at 10.00 a.m. on 15 December 2015, notice of which is set out at the end of this document
"**Group**"	the Company, its subsidiaries and subsidiary undertakings
"**London Stock Exchange**"	London Stock Exchange plc
"**New Ordinary Shares**"	9,111,111 new Ordinary Shares which are to be conditionally placed for cash with investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional, *inter alia*, on the passing of the Resolutions
"**Notice of General Meeting**"	the notice of General Meeting, set out at the end of this document
"**Numis**"	Numis Securities Limited, a private limited company incorporated in England & Wales under registered number 2285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
"**Ordinary Shares**"	ordinary shares of 5 pence each in the capital of the Company
"**Placing**"	the proposed conditional, non-pre-emptive placing by Numis of the New Ordinary Shares (on behalf of the Company) at the Placing Price

"**Placing Agreement**"	the conditional agreement dated 26 November 2015 relating to the Placing in respect of the New Ordinary Shares, between the Company and Numis
"**Placing Price**"	225 pence per Placing Share
"**Placing Proceeds**"	the net proceeds of the issue of the New Ordinary Shares pursuant to the Placing
"**Regulations**"	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
"**Resolutions**"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"**Shareholders**"	the holders of Ordinary Shares from time to time, each individually a "Shareholder"
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**US**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

All references in this document to "£", "pence" or "p" are to the lawful currency of the United Kingdom, all references to "US$" or "$" are to the lawful currency of the United States.

LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF

hVIVO PLC

Queen Mary BioEnterprises Innovation Centre
42 New Road
London E1 2AX

Company number: 08008725

Directors:

Jaime Ellertson, *Non-Executive Chairman*
Kym Denny, *Chief Executive Officer*
Graham Yeatman, *Chief Financial & Business Officer and Company Secretary*
David Norwood, *Non-Executive Director*
Trevor Nicholls, *Non-Executive Director*
Alison Fielding, *Non-Executive Director*
James Winschel, *Non-Executive Director*

26 November 2015

Dear Shareholder

Placing of 9,111,111 New Ordinary Shares
at a price of 225 pence per share

and

Notice of General Meeting

1. INTRODUCTION

The Board has announced today that the Company has raised, subject to certain conditions, £20.5 million, approximately £20.0 million net of expenses, by way of a placing of 9,111,111 New Ordinary Shares at a placing price of 225 pence per share.

The Placing is conditional (amongst other things) upon the passing of the Resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares for cash on a non-pre-emptive basis. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 10.00 a.m. on 15 December 2015 at the registered office of the Company. The Notice of General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of, and the reasons for, the Placing and why the Directors believe it to be in the best interests of the Company and its Shareholders and, further, why they recommend that you vote in favour of the Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 3,828,298 Ordinary Shares representing approximately 5.6 per cent. of the Existing Ordinary Shares.

2. BACKGROUND TO THE PLACING

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.

The hVIVO business (formerly Retroscreen Virology) was established in 1989 and over the last 25 years has established itself as a market leader in providing clinical services to third party study sponsors using human disease models. To date, hVIVO has conducted more than 40 clinical studies, involving more than 2,000 volunteers for a range of leading industry, government and academic clients.

The hVIVO platform puts humans at the heart of disease modelling. It functions in the following way: volunteers are recruited for research studies in which a viral challenge agent is administered to elicit a self-limiting infection, such as ‘flu’, or to trigger a disease episode or exacerbation, such as in asthma patients.

The studies are conducted under tightly controlled, quarantine conditions with full medical supervision. The benefits of this approach, compared to field-based studies where patients are only recruited when they become symptomatic, are that (a) the healthy or pre-challenge subject acts as an internal control by providing a pre-disease baseline; (b) the laboratory-like conditions means the presentation of symptoms together with cellular and molecular changes in response to the challenge agent can be tightly correlated; and (c) multiple, high quality samples can be taken from a range of body compartments throughout the course of the disease, or disease episode. The Directors believe that combining these benefits in one platform creates a powerful R&D tool for product discovery and development.

In recent years, it has become increasingly clear to the Directors that the hVIVO platform has the potential to become a powerful tool for understanding human disease itself. Research into the mechanisms of disease at present relies heavily on analysing individual tissue samples taken from patients in an attempt to understand the pathways involved. These samples are typically obtained from hospitals or tissue biobanks that have been assembled by academics and organisations over many years. However, these heterogeneous samples provide only isolated cellular 'snapshots' and do not provide the biological context of the disease or information on what the cell looked like prior to the disease. Efforts are additionally hampered by the variable quality and limited availability of samples, including from tissue biobanks. The Directors believe that hVIVO's ability to generate a range of high quality samples over the course of a disease or exacerbation will help to capture a full picture of the continuum of the disease, a process it calls 'Pathomics'. Armed with a full picture of the disease lifecycle, the Directors believe that hVIVO will be in a proprietary, informed position to select the right drug targets at which to aim compounds, select the right biomarkers in which to develop diagnostics, power consumer health products, and provide the biological evidence needed to simplify and streamline the clinical trial process itself.

By rationally selecting drug targets and leveraging hVIVO's biological insight to simplify and streamline the clinical trial process, the Directors believe that hVIVO can substantially reduce the cost, time and risks it takes to develop regulated medicinal products. The reason why can be found within the current limitations of the drug development process: traditional drug development typically relies on clinical development itself to provide a verified link to human biology. Given the challenges of learning about disease via traditional snapshot samples, the industry tends to go into drug development with a hypothesis, rather than verified fact, about the relevance of a given drug target to a disease. The process of drug development, in the human clinical stage thus also becomes the process to 'prove' the biology, seeking to confirm both that the drug itself is functioning safely and is successful at hitting that target, and also showing that altering the target has a meaningful positive impact on the disease itself. Combining both objectives in a clinical programme of work requires enough subjects to come to a statistically meaningful conclusion. As such, the Directors believe that in areas of medicine where the biological mechanics of a disease are poorly understood, the cost, time and resources required are higher than they would be if the biology was verified and established at the start. Currently only about 8 per cent. of new molecular entities make it all the way through clinical trials, taking between 10 and 20 years with estimated costs of delivering a drug being more than $2 billion, up from $800 million just a few years ago.

In contrast to hypothesis-driven drug development, the Directors believe that hVIVO's revolutionary platform helps to remove the biological guesswork from drug development. By leveraging the hVIVO platform to illuminate the biological pathways of disease, hVIVO seeks to position itself to select drug targets rationally, which the Directors believe can help de-risk product failure since hVIVO is able to validate assumptions about human biological activity. Through the same understanding of the disease, hVIVO is further positioned to leverage its intellectual property (IP) to positively impact the clinical trial process itself. Establishing disease process biomarkers early in drug development studies with the hVIVO platform could potentially translate into 15 per cent. to 20 per cent. higher transition success rates at each phase I, II and III for a typical influenza drug potentially saving between $108 million in 12 months to $361 million over 36 months whilst also potentially reducing the size and length of studies, de-risking the process and reducing the costs even more. The Company plans to enter co-development joint ventures for its consumer and regulatory product development and to license its clinical trial biomarker 'tool kits' to the research industry.

Realising hVIVO

hVIVO's recent investment in the newly formed biotech company, PrEP Biopharm Limited ("PrEP"), signals a transformational moment in the Company's growth and development. Over the last five years, data from hVIVO's platform has helped to underpin a number of M&A transactions in the infectious disease sector,

totalling nearly $2 billion in investments. Indeed, in a Johnson & Johnson (J&J) press release in May 2015, the company cited two of hVIVO's client products, claiming that, "… Late stage products expected to drive growth in the next several years, following regulatory approvals, include … AL 8176 for respiratory syncytial virus (RSV); … JNJ-872 (VX-787) for influenza A." To reflect the value of hVIVO's contribution to the products that go through its platform, to pave the way for co-development opportunities with hVIVO's R&D products down the road, and ultimately to realise shareholder value, hVIVO took the strategic decision to expand its services and licensing options to include a variety of collaborative joint ventures with select customers and products. Capitalising on a growing trend to leverage off-balance sheet R&D, the Directors believe that hVIVO is well positioned to explore equity sharing arrangements in lieu of service fees, particularly in light of the Company's status as the only commercial provider of multiple human disease models, of which the Directors are aware. In structuring the Group's work in this way, the Directors believe that hVIVO will be able to position itself to share in the significant upside value that it may be instrumental in making.

The prophylactic compound, PrEP-001 (previously known as JNJ-43260295) serves as an example of the potential this collaborative approach is expected to provide to the Company. hVIVO conducted a proof of concept study for the compound on behalf of Janssen in 2013-14, with encouraging data showing the product achieved a threefold reduction in clinical illness and an eightfold reduction in common cold symptoms compared to placebo. To complete the Phase IIa programme, additional challenge studies were envisioned, involving multiple virus types and patient populations, a combination of capabilities that hVIVO, as a market leader, could deliver. The resulting UK-based start-up company, PrEP, provides hVIVO the opportunity to continue to play an integral role in the compound's further clinical development, as well as to take a significant stake in a potentially ground-breaking new drug that the Company has already helped to advance and is well placed to transition into later phase trials in at-risk patient groups.

In addition to hVIVO, other lead investors in PrEP include Johnson & Johnson Innovation – JJDC, Inc. and US-based angel investors. hVIVO holds two out of the current four PrEP Board positions. Janssen has granted a worldwide license of PrEP-001 to PrEP in exchange for equity in PrEP, together with downstream milestones and royalties. hVIVO has acquired equity in PrEP for £14.0 million cash consideration and PrEP has contracted 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 an 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. hVIVO commenced the Phase IIa work in September 2015 and the programme is expected to be significantly progressed by the 2015 year end. As a consequence of this work now being a part of a licence arrangement, the Company has been advised that, due to accounting technicalities of IFRS, the revenue and costs attributable to this work will most likely have to be accounted for on a "completed" basis in 2016, rather than on a "work done" basis as is currently the case for the revenue recognition of hVIVO's standard clinical trials agreements with clients. The Phase IIa clinical programme of work for PrEP is forecast to complete during 2016 and revenue of £10.0 million recognised in full by the 2016 year end.

The Phase IIa programme will investigate whether PrEP-001 is effective against the flu virus, how long the product's protection lasts, and if it is effective in preventing colds in asthma patients. The Directors believe that these studies will further leverage the hVIVO platform's speed of trial conduct and ability to generate clear efficacy signals, and will benefit from the Company's pathomics insights to reduce the size, cost and complexity of the compound's later phase field trials. When the key factors of the platform's success rate, and its time and cost savings are applied to PrEP-001, the Directors estimate that the hVIVO platform could potentially boost the risk-adjusted net present value of PrEP-001 by approximately 230 per cent. – further highlighting the advantage that hVIVO could provide in de-risking and in accelerating drug development.

Introducing PrEP-001

The Market

On average, each year worldwide, people suffer between 5 and 10 billion cold and flu infections, called upper respiratory viral infections (URVI). Even though on average a person will typically have one to three URVIs per year, there is little relief today from these diseases. There is no cure for the common cold, flu

vaccines have limited efficacy (10 per cent. to 60 per cent. average effectiveness over the last 10 years) and current flu therapies require administration within a two-day window to be effective. Direct costs from URVIs are $27 billion in the US and more than 189 million school days and approximately 200 million work days are missed in the US each year due to colds and other non-influenza related URVIs. While URVIs are typically self-limiting, they can be life-threatening for high risk groups such as those 40 million people suffering from asthma, chronic obstructive pulmonary disease (COPD) and congestive heart failure (CHF). URVIs are the predominant trigger of exacerbations in asthma patients and those suffering from COPD, with asthma patients alone accounting for 10 per cent. to 20 per cent. of the total URVI direct costs, including 15 million health care provider visits and 1.4 million emergency room visits annually.

PrEP-001: a novel paradigm in the prevention of colds and flu

PrEP-001 (poly I:C) is a nasally administered, broad-spectrum agent that leverages the innate immune system to prevent upper respiratory tract viral infections (colds and flus). Poly I:C acts as a benign viral surrogate. During a typical upper respiratory infection, the virus enters into the nasal epithelium and replicates rapidly, spreading throughout the upper respiratory system in 24 to 72 hours. When poly I:C is administered, the body recognises it as a virus, activating the receptors that release interferon and affecting the innate immune response. This host response pre-arms the immune system so that during a real infection the immune system can react quickly and slow down the viral replication, enabling the adaptive immune system to destroy the virus. It creates a protective layer, preventing the viral infection and acting as a prophylactic therapy.

The Director's believe that PrEP-001 (poly I:C) is a prophylactic therapy with significant potential for addressing this critical unmet need surrounding upper respiratory viral infections. It would entail weekly dosing during the cold and flu season, envisioned to last 12 weeks, and is designed to help the large number of patients that suffer substantial morbidity and mortality as a result of URVIs.

hVIVO Discovery and Development

With hVIVO's significant investment in PrEP, hVIVO gains an exciting Phase IIa product in PrEP-001 to add value to the Company's developing IP and emerging product pipeline. Fundamental to the hVIVO premise of accelerating drug and diagnostic development is the importance of establishing the biological relevance of targets and biomarkers to the disease process before product testing in humans commence. The Directors believe that, through this proprietary vantage point, hVIVO can change the time, cost and risk profile of clinical development, bringing forwards the disease-relevance question out of later stage development and into the hVIVO-created early development step of pathomics. The Directors believe that 'taking the guess work out of the biology' will yield investigational products with better risk profiles, lower costs and shorter timelines to market.

hVIVO has significantly advanced two of its pathomics programmes with funds raised by the Company since 2013. The first pathomics programme is in flu. As flu was an established human disease model for the Company, work commenced in 2014 to collect samples and produce the first ever 'map' of the human host response to flu infection. This map was a significant achievement for the Company, which completed in the first half of 2015. At present, hVIVO is in the drug target and biomarker qualification stage, with outputs expected in the first half of 2016. The Company aims to advance these discoveries to candidate status during 2016, which could include drug candidates to treat flu, biomarker tests (trial tool kits) to guide clinical product development, and predictive tests to identify susceptibility and patients at risk of severe flu illness.

The second of the Company's pathomics programmes is in asthma. hVIVO developed and tested a new human disease model in asthma exacerbation in 2014 and early 2015. While the new model provides a much needed clinical testing tool in early stage asthma drug development, where exacerbations can be examined in laboratory-like conditions, the Directors believe that the platform has further potential to revolutionise our understanding and categorisation of asthma disease, and aims to commence this work in 2016.

Asthma is a complex disease that affects over 300 million people and, like colds and flu, still has no effective cure. Experts in the field have hypothesised that asthma is not one homogeneous disease but rather consists of different phenotypes, each with differing characteristics and potentially different therapeutic demands. By

watching asthma exacerbation 'in motion' (i.e., as an asthma patient goes from their baseline state to an exacerbation state), the Directors believe that the hVIVO platform is well positioned to classify these subtypes by molecular, clinical and cellular criteria to arrive at the specific endotypes (phenotypes plus specific pathophysiological mechanisms) for stratifying asthma patients. Doing so would yield, for the first time, a way to differentiate asthma patients (stratification tools) and create the biological insights to select the right drug targets for each asthma subtype, allowing hVIVO subsequently to develop new drugs and to test existing ones for sub-type effectiveness.

In order to undertake the stratification of asthma, hVIVO intends to expand its disease model reach into the community, with two new model versions being developed in 2016. In addition to the Company's current fully controlled in-patient facility asthma model, hVIVO plans to launch an out-patient model, where subjects are inoculated by hVIVO and then released to their home environment for remote monitoring while they recover. The second new version, aimed at securing samples from the most severe asthma patients, entails the severe asthma patients registering their baseline data with hVIVO, and then returning to hVIVO's quarantine unit if and when they contract a cold or flu naturally. All of these scenarios enable continuous monitoring through the combination of sample collection plus digital data and/or patient reported information. The Directors believe that as diagnostic markers become available, they will enable more targeted recruitment in product validation studies, both quarantine and field-based, and promote further evolution of the hVIVO platform – establishing the hVIVO platform as the definitive clinical development benchmark for developing new asthma therapies.

In addition to hVIVO's pathomics programmes in flu and asthma, work has commenced to define and calibrate the Company's second new respiratory model in COPD. The Company also intends to progress the creation of a human host response map for respiratory syncytial virus (RSV) in 2016.

3. CURRENT TRADING AND OUTLOOK

The PrEP transaction signals that the hVIVO platform has successfully evolved from a services delivery only application to a comprehensive drug discovery and development platform with both services and product development engine capabilities, enabling the Company to exploit the power and value generation of its human disease models. Key to this ambition is the Company's strategy to differentiate itself from other drug and diagnostic groups by turning biological verification on its head and positioning it early on in a product's lifecycle, rather than waiting until the final human testing phase (phase III) to confirm the right targets and biomarkers have been selected.

The goal of the Company is to 'get the biology right from the start', leveraging its insight to produce the right drugs and to reduce the time, cost and complexity of clinical development itself. As a Phase IIa product, the Directors believe PrEP-001 will benefit from the emerging biological insights that the Company is pioneering in flu and in asthma, and will potentially increase the product's value substantially over what it might otherwise have achieved from using traditional clinical testing methods alone.

As such, the Directors believe that during the remainder of 2015, the PrEP programme is expected to advance significantly in hVIVO's quarantine unit, followed by the Company's first flu client since the stalling of flu programmes in late 2014. Quarantines are planned right up to the Christmas period with the intention of pushing hVIVO's quarantine unit utilisation to its maximum. Small variances in the expected number of volunteers inoculated during this time could have a small reduction in the Company's forecasts for 2015 revenue of "not less than £8.0 million", which is also subject, as always, to the December client meeting its overall trial timelines this year. For 2016 the focus will be on progressing PrEP-001 to Phase IIb, commencing the stratification of asthma and advancing the flu pathomics outputs into product candidates, whilst also delivering a building client engagement pipeline of work.

The Directors believe that the Company has reached the next chapter in the evolution of the hVIVO platform, where it now seeks to achieve a best balance of client engagements (generating revenue, gross profit and contribution to cash flow) with collaboration engagements such as PrEP and the Group's own internal R&D engagements, to maximise the utilisation and investment of its resources and drive value creation for Shareholders.

4. USE OF PROCEEDS

The Placing is intended to allow hVIVO to further utilise the skills, resources and expertise that it has developed over the last three years, to build out bioinformatics analysis and disease stratification capabilities as hVIVO works to identify novel biomarkers and drug targets in areas of high unmet medical need.

The Directors intend that the net proceeds of the Placing, being approximately £20.0 million, will be used by the Company principally for the following:

- Complete Phase IIa clinical programme of work for PrEP
- Initiate asthma stratification
- Complete flu target qualification and define a lead compound
- The Company's general working capital requirements.

The Company anticipates that the proceeds will be invested in these R&D programmes over the next 24 months.

5. DETAILS OF THE PLACING

The Company proposes to raise £20.5 million, approximately £20.0 million net of expenses, by way of a conditional, non-pre-emptive placing of 9,111,111 New Ordinary Shares at the Placing Price. The New Ordinary Shares have been placed by Numis as agent for the Company pursuant to the Placing Agreement with institutional and other professional investors. The Directors had considered whether the Company would be able to extend the offer of New Ordinary Shares to all existing Shareholders but, having discussed this with its professional advisers, decided that the expense of doing so could not be justified and would not be in the best interests of the Company.

The Placing Price represents a discount of approximately 11.6 per cent. to the closing mid-market price of the Ordinary Shares of 254.50 pence on 25 November 2015 (being the last practicable dealing day prior to the date of this document). The New Ordinary Shares will represent approximately 11.7 per cent. of the Ordinary Share capital as enlarged by the Placing (assuming no other Ordinary Shares are issued) and will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

The Placing Agreement is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of the Resolutions at the General Meeting and Admission occurring on or before 8.00 a.m. on 16 December 2015 (or such later date as Numis and the Company may agree, being not later than 8.30 a.m. on 31 December 2015).

The Placing Agreement contains warranties from the Company in favour of Numis in relation to (amongst other things) the Group and its business. In addition, the Company has agreed to indemnify Numis in relation to certain liabilities it may incur in undertaking the Placing. Numis has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 16 December 2015.

6. RESOLUTIONS

The Company currently does not have sufficient authority to allot the New Ordinary Shares pursuant to the Placing. Accordingly the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot the New Ordinary Shares on a non-pre-emptive basis.

Resolution 1

Resolution 1 is an ordinary resolution to grant authority to the Directors under section 551 of the Act to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £455,556, such authority expiring on 15 January 2016.

If Resolution 1 is passed the Directors will have the authority, under the Act, to allot Ordinary Shares up to the maximum aggregate nominal amount of £455,556 (being the maximum required for the purposes of issuing the New Ordinary Shares). This is in addition to the authority granted by the Company at its annual general meeting held on 21 May 2015.

Resolution 2

Resolution 2 is a special resolution, conditional upon the passing of Resolution 1, which, if passed, will empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash pursuant to the authority conferred by Resolution 1 up to an aggregate nominal amount of £455,556 on a non-preemptive basis, such authority expiring on 15 January 2016. This is in addition to the authority granted by the Company at its annual general meeting held on 21 May 2015.

If passed, these authorities will enable the Directors to effect the Placing in respect of the New Ordinary Shares on a non-pre-emptive basis.

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the Shareholders voting to be passed. Resolution 2 is a special resolution and requires the approval of not less than 75 per cent. of the Shareholders voting to be passed. If the Resolutions are not passed by the requisite majority, the Placing will not proceed.

The Notice of General Meeting is contained at the end of this document and sets out the Resolutions in full. The General Meeting is to be held at the registered office of the Company at Queen Mary BioEnterprises Innovation Centre, 42 New Road, London E1 2AX at 10.00 a.m. on 15 December 2015.

7. ACTION TO BE TAKEN

Enclosed with this document is a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 13 December 2015.

If you complete and return the Form of Proxy, you may still attend and vote at the General Meeting should you wish to do so. Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to submit a Form of Proxy on their behalf.

8. RECOMMENDATION

The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 3,828,298 Ordinary Shares (representing approximately 5.6 per cent. of the Existing Ordinary Shares).

Yours faithfully

Jaime Ellertson
Non-Executive Chairman

NOTICE OF GENERAL MEETING

hVIVO PLC

(Incorporated and registered in England and Wales with registered no. 08008725)

Notice is hereby given that a General Meeting of hVIVO plc (the "Company") will be held at 10.00 a.m. on 15 December 2015 at Queen Mary BioEnterprises Innovation Centre, 42 New Road, London E1 2AX for the following purposes:

ORDINARY RESOLUTION

To consider, and if thought fit, pass Resolution 1 as an ordinary resolution:

1. **THAT**, the directors of the Company (the "**Directors**") be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares in the Company ("**Shares**") or to grant rights to subscribe for, or to convert any security into, Shares up to an aggregate nominal amount of £455,556 and that the authority conferred on the Directors by this Resolution shall expire on 15 January 2016, save that under this authority the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or rights to subscribe for, or to convert any security into, Shares to be granted after such expiry and the Directors may allot Shares or grant rights to subscribe for, or to convert any security into, Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

   The authority referred to in Resolution 1 is in addition to the authority to allot Shares and grant rights to subscribe for or to convert any security into Shares granted by the Company at its annual general meeting held on 21 May 2015.

SPECIAL RESOLUTION

To consider, and if thought fit, pass Resolution 2 as a special resolution:

2. **THAT**, subject to the passing of Resolution 1 above, the Directors be and they are hereby empowered pursuant to section 570(1) of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £455,556 and shall expire on 15 January 2016, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

   The authority referred to in Resolution 2 is in addition to the authority granted by the Company at its annual general meeting held on 21 May 2015.

By Order of the Board

Graham Yeatman
Company Secretary

26 November 2015

Registered Office

Queen Mary BioEnterprises Innovation Centre
42 New Road
London E1 2AX

Notes:

1. A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him/her. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not to be a member of the Company. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies.

2. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified Resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the Resolutions) which may properly come before the Meeting.

3. Members may appoint a proxy or proxies by completing and returning a form of proxy by post or by hand to the offices of the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

4. To be effective, the appointment of a proxy, or the amendment to the instructions given for a previously appointed proxy, must be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by the method outlined in note 3 above not less than 48 hours before the time for holding the Meeting. In addition, any power of attorney or other authority under which the proxy is appointed (or a notarially certified copy of such power or authority) must be deposited at the offices of the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not less than 48 hours before the time for holding the Meeting. Any such power of attorney or other authority cannot be submitted electronically.

5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Meeting.

6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) the Company specifies that only those shareholders registered on the Register of Members at 6.00 p.m. on the day which is two days before the date of the meeting (the "**Specified Time**") (or if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 6.00 p.m. on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote.

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

8. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the Company's register of members in respect of the joint holding.

9. As at 25 November 2015, being the latest practicable date prior to the printing of this Notice, the Company's issued capital consisted of 68,941,673 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 25 November 2015 are 68,941,673.

10. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 25 November 2015, being the latest practicable date prior to the printing of this Notice, will be available on the Company's website www.hvivo.com.

11. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.