

30 January 2024

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

hVIVO plc
("hVIVO", the "Group", or the "Company")

Trading update

Record year across all financial and operational metrics
Excellent forward visibility with £80m weighted orderbook

hVIVO plc (AIM & Euronext: HVO), the world leader in testing infectious and respiratory disease products using human challenge clinical trials, announces an unaudited trading update for the year ended 31 December 2023.

Highlights

- Full year revenue of £56.0 million, an increase of 15.5% (2022: £48.5 million)
- EBITDA margins of c.22% (2022: 18.7%)
- Cash of £37.0 million as at 31 December 2023 (31 December 2022: £28.4m)
- Weighted contracted orderbook of £80 million as at 31 December 2023 (31 December 2022: £76 million)
- 90% of 2024 revenue guidance already contracted and good visibility into 2025
- Revenue guidance of £62 million for 2024
- Move to new state-of-the-art facility in Canary Wharf on schedule to complete in H1 2024
- Commencement of annual dividend payment in 2024
- New medium-term target of growing Group revenue to £100m by 2028

Double digit revenue growth

The Group expects to report full year revenues of £56.0 million (2022: £48.5 million), a 15.5% increase year-on-year which, as announced previously, is slightly ahead of previous market expectations. This has been driven by the continued strong delivery of human challenge trials and consulting services. The Group's growing operational team delivered its highest number of inoculations to date, driving increased revenues and improved margins. In addition to the revenue generated, the Group also recognised Other Income relating to R&D tax credits of £2.6 million (2022: £2.2 million).

Improved EBITDA margins and cash

The Group expects to report increased EBITDA margins of c.22% (2022: 18.7%) which is a result of the increased facility and staff utilisation as well as efficiencies gained through improved volunteer recruitment and the concurrent running of multiple clinical trials. The net impact of the client funded facilities expansion has also contributed to an improvement in EBITDA, that are expected to benefit margins in both 2023 and 2024.

hVIVO is a highly cash generative business with cash of £37.0 million as at 31 December 2023 (31 December 2022: £28.4 million). This increase in cash generation is due to improved margins and the upfront non-refundable quarantine booking fee from new contracts.

Annual dividend

The Company paid a one-off special dividend of £3.0m in 2023 and in light of the cash generative qualities of the business and the substantial cash balances available to the Company, the Board intends to commence payment of an

annual dividend. Payment is intended to take place following the publication of the Group's annual results for the year ended 31 December 2023 which are expected to be announced in April 2024, and where further details of the dividend policy will be provided.

Growing orderbook underpins 2024 guidance

In 2023, the Group has achieved success in new sales bookings with the signing of multiple human challenge trial contracts, including three large bespoke or full-service human challenge trial contracts in Respiratory Syncytial Virus (RSV), Influenza B and Human Metapneumovirus (hMPV). hVIVO is the only provider of full-service human challenge services which deliver a long-term revenue stream across challenge agent manufacturing, characterisation and the main human challenge trials.

With the range of services and average size of challenge studies increasing, the average contract value has continued to follow an upward trend, resulting in a weighted contracted orderbook of £80 million as at 31 December 2023, including the £6.3 million contract announced on 2 January 2024.

Current year outlook

hVIVO enters the year in its strongest ever position with 90% of 2024 revenue guidance already contracted, and record revenue visibility into 2025. The Board is confident that the Group's consistent year-on-year growth of revenue, orderbook, sales pipeline, and contract values are a strong indicator of the long-term health and growth potential of the human challenge trial market, with hVIVO's business model being further optimised to take advantage of this significant opportunity.

The Company is on schedule to open its new state-of-the-art facility in Canary Wharf in H1 2024, enabling hVIVO to meet the growing demand for human challenge trials. The move, which is largely funded by hVIVO clients, will allow the Group to further scale and drive efficiencies across its business.

As a result of the current strong outlook and performance of the business, the Company expects to achieve revenues of £62 million in 2024.

Medium-term target

The Company also announces a medium-term target of growing Group Revenue to £100m by 2028. The majority of this is expected to be achieved through sustained organic growth complemented by small, strategic bolt on acquisitions. With a growing cash position of £37.0 million as at 31 December 2023, and no debt, hVIVO is well placed to pursue both organic and inorganic growth. The Company is actively assessing synergistic opportunities that align with its growth strategy and market positioning.

Investor presentation

Yamin 'Mo' Khan, Chief Executive Officer, and Stephen Pinkerton, Chief Financial Officer, will provide a live presentation via the Investor Meet Company platform on 30 January 2024 at 18:00 GMT.

The presentation is open to all existing and potential shareholders. Investors can sign up to Investor Meet Company for free and add to meet hVIVO [here](#).

Dr Yamin 'Mo' Khan, Chief Executive Officer of hVIVO, said: *"In 2023, hVIVO demonstrated strong financial and operational performance, delivering record-breaking results across all key parameters. The sustained success of the Group, coupled with a growing orderbook, reinforces the resilience of our business model and reaffirms the stability of the market. The infectious disease market has witnessed increased interest from both commercial and non-profit entities, as well as a notable uptick in M&A activity. A significant highlight of the year was the market authorisation of the first-ever vaccine incorporating human challenge trial data as part of its submission package.*

"I am excited about 2024 as we look forward to our move to a larger facility and the further diversification of our services including the addition of new challenge agents. The new facility will substantially boost our revenue potential and should lead to improved operational efficiencies and enhanced margins. We are pleased to share a new target of

growing the Group's revenue to £100m by 2028. This growth will be primarily achieved through strong organic growth complemented by small strategic bolt-on acquisitions that adhere to our disciplined criteria, ensuring our long-term success."

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Notes to Editors

About hVIVO

hVIVO plc (ticker: HVO) (formerly Open Orphan plc) is a rapidly growing specialist contract research organisation (CRO) and the world leader in testing infectious and respiratory disease vaccines and therapeutics using human challenge clinical trials. The Group provides end-to-end early clinical development services to its large, established and growing repeat client base, which includes four of the top 10 largest global biopharma companies.

The Group's fast-growing services business includes a unique portfolio of 11 human challenge models, with a number of new models under development, to test a broad range of infectious and respiratory disease products. The Company has world class challenge agent manufacturing, specialist drug development and clinical consultancy services via its Venn Life Sciences brand, and a lab offering via its hLAB brand, which includes virology, immunology biomarker and molecular testing. The Group offers additional clinical field trial services such as patient recruitment and clinical trial site services.

hVIVO runs challenge studies in London from its Whitechapel quarantine clinic, its state-of-the-art QMB clinic with its highly specialised on-site virology and immunology laboratory, and its clinic in Plumbers Row. To recruit volunteers / patients for its studies, the Company leverages its unique clinical trial recruitment capability via its [FluCamp](#) volunteer screening facilities in London and Manchester.