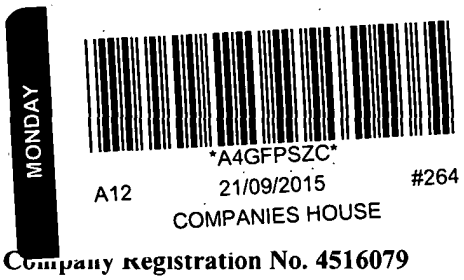
Oxford Immunotec Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2014



Company Registration No. 4516079

OXFORD IMMUNOTEC LIMITED

COMPANY INFORMATION

DIRECTORS	Mr R A Sandberg Dr P J Wrighton-Smith
SECRETARY	Ms E Keiley
COMPANY NUMBER	4516079
REGISTERED OFFICE	94C Innovation Drive Milton Park Abingdon Oxfordshire OX14 4RZ
AUDITOR	Ernst & Young LLP Apex Plaza Reading Berkshire RG1 1YE
BANKERS	Barclays Bank plc PO Box 858 Wytham Court West Way Oxford OX2 0XP
SOLICITORS	Covington & Burling LLP 265 Strand London WC2R 1BH

OXFORD IMMUNOTEC LIMITED

Company Registration No. 4516079

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and financial statements for Oxford Immunotec Limited (which may be referred to as "OI Ltd.", "the Company", "we", "us" or "our") for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

Our principal activity is the development and supply of clinical diagnostic products.

We are a global, commercial-stage diagnostics company focused on developing and commercialising proprietary tests for the management of immune-regulated conditions. Our proprietary T-SPOT®[1] technology platform allows us to measure the responses of specific immune cells to inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. Our current development activities are principally focused on four areas: chronic infections, transplantation, autoimmune and inflammatory disease and immune-oncology. We believe these areas are particularly attractive for the development of diagnostic tests because they involve large patient populations and chronic conditions that present the opportunity for both initial diagnosis and additional testing to monitor the conditions. These immune-regulated conditions also tend to be characterised by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorise patients and inform treatment pathways particularly useful. We believe the sensitivity of our T-SPOT technology platform, which can measure T cell and innate immune cell responses at a single cell level, well positions us to bring new insights into the diagnosis, prognosis and monitoring of immune-regulated conditions.

RESULTS AND DIVIDENDS

The results for the year are set out on page 11.

The Directors do not propose to pay any dividends.

DIRECTORS

The following Directors have held office since 1 January 2014:

Mr R A Sandberg
Dr P J Wrighton-Smith

GOING CONCERN

The financial position, including cash flows and liquidity position, of the Company are fully described in the consolidated financial statements of Oxford Immunotec Global PLC ("the Group") for the year ended 31 December 2014. The Group is run as one business and OI Ltd. is the primary operating company of the Group. The Group's cash reserves are predominantly held in the parent company and transferred as required to its subsidiaries.

The Directors have received a letter of financial support from Oxford Immunotec Global PLC extending for at least 12 months from the date of signing the financial statements.

Having reviewed cash flow forecasts for the Group for the 12 month period following the date of signing the financial statements, and with parental financial support in place, the Directors have a reasonable expectation that OI Ltd. has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

AUDITOR

In accordance with section 406 of the Companies Act 2006, Ernst & Young LLP will be reappointed as auditor to the Company.

[1] "T-SPOT®," "T-Cell *Xtend*®," "Oxford Diagnostic Laboratories®," "ODL®," "SpiroFind®", the Oxford Immunotec logo, our laboratory logo and other marks are our trademarks. Solely for convenience, trademarks and trade names referred to in the report and financial statements, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

OXFORD IMMUNOTEC LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all necessary steps in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Directors' Report was approved by the Board on 17 September 2015.

On behalf of the Board

Peter Wrighton-Smith, Ph D
Director
17 September 2015

OXFORD IMMUNOTEC LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The Company is required to produce a strategic report complying with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the "Regulations").

OI Ltd., is a wholly owned subsidiary of Oxford Immunotec Global PLC, and is incorporated in the United Kingdom (U.K.). OI Ltd., in turn, fully owns the following companies: Oxford Immunotec Inc. (located in the United States, or U.S.), Oxford Diagnostic Laboratories (UK) Limited (located in the U.K. and dormant since incorporation), Oxford Immunotec K.K. (located in Japan), Oxford Immunotec Asia Limited (established in 2014 and located in Hong Kong), and Boulder Diagnostics Europe GmbH (acquired in July 2014 and located in Germany). Oxford Immunotec Asia Limited fully owns Oxford Immunotec (Shanghai) Medical Device Co. Ltd., which was established in 2014 and is located in China.

Shares of our parent company, Oxford Immunotec Global PLC, are traded on the NASDAQ Global Market with symbol "OXFD".

On 2 October 2013, we completed a scheme of arrangement under the laws of England and Wales, which was approved by the High Court of Justice in England and Wales, whereby holders of equity interests in OI Ltd., a private limited company incorporated in England and Wales, including holders of ordinary shares, preferred ordinary shares, options and warrants, exchanged their interests in OI Ltd. for identical interests in Oxford Immunotec Global PLC, a public limited company incorporated in England and Wales, which then became the parent company of OI Ltd.

On 31 July 2014, we acquired substantially all of the assets of Boulder Diagnostics, Inc., or Boulder, a privately owned company developing immunology-based assays for autoimmune and inflammatory conditions/diseases. The assets acquired primarily relate to assays for Lyme disease and gout, and an assay to inform the efficacy of biologic therapies. Each product opportunity has the potential to address key unmet clinical needs and is well suited to the Company's growing commercial infrastructure. As part of the transaction, Boulder transferred to us all shares of capital stock in its wholly-owned subsidiary, Boulder Diagnostics Europe GmbH, such that the Company has become the sole owner of Boulder Diagnostics Europe GmbH. During the fourth quarter of 2014, the Company closed the facilities that had been used by Boulder.

There can be no assurance that we will be able to successfully develop and complete the development or commercialisation of the products that we acquired in the Boulder acquisition. Further, even if we are able to profitably commercialise the underlying product candidates, there is no guarantee that we will be able to do so before any competitors develop and commercialise similar products.

We believe the annual global market opportunity for our T-SPOT.*TB* test is well in excess of $1 billion, assuming we can largely displace the Tuberculin skin test, or TST, in the developed world. We believe the global market opportunity for our products directed to transplantation and autoimmune-inflammatory disease to be in excess of $2 billion, although our market sizing estimates remain preliminary. We have not yet sized the market opportunity for our technology in immune-oncology given the early stage of this program.

We are a global business with 77 employees at year-end, including sales and marketing teams and a laboratory in the United Kingdom. In 2014, we sold to customers in over 50 countries. Our current customer base includes hospitals, the National Health Service, commercial testing laboratories, importers and distributors.

REVIEW OF THE BUSINESS

Overview

The initial product we have developed using our T-SPOT technology platform is our T-SPOT.*TB* test, which is used to test for tuberculosis, or TB, infection. Our T-SPOT.*TB* test has been approved for sale in over 50 countries, including the United States, where we have received premarket approval, or PMA, from the United States Food and Drug Administration, or FDA, in Europe, where we have obtained a CE mark, as well as in Japan and China. Our T-SPOT.*TB* test has been included in clinical guidelines for TB screening in at least 17 countries, including the United States, several European countries and Japan. In addition, we have established reimbursement for our test in the United States, as well as a Current Procedural Terminology, or CPT[2], code that is unique to our test. Outside the United States, we have established reimbursement in several countries where reimbursement applies, including Japan, Switzerland and Germany. We have also established the cost-effectiveness of our test in several published studies.

On 31 March 2015, we announced the availability in the United States of a new test that measures the strength of a patient's cellular immune response to cytomegalovirus, or CMV, infection. CMV can affect individuals with weaknesses in their T cell response and is therefore an important and common cause of morbidity and mortality in solid organ and hematopoietic stem cell transplant recipients. This T-SPOT.*CMV* test is available as a laboratory developed test, or LDT, from the Group's Clinical Laboratory Improvements Amendment, or CLIA, certified and College of American Pathologists, or CAP, accredited service laboratory. Whilst we are enthusiastic about the potential clinical utility and economic value that the T-SPOT.*CMV* test may provide in transplant medicine, we are taking a measured approach to market introduction as we await the results of two pivotal clinical studies to provide the evidence needed to drive adoption and acceptance by the medical and payor communities of this test. In April 2015, the T-SPOT.*CMV* test also received a CE Mark approval in Europe.

We also have seven active development programs pertaining to new potential tests. Each program seeks to exploit our T cell and innate immune measuring technology and cover each of our four focus areas.

Our T-SPOT.*PRT* (Panel of Reactive T-cells) test, also based on our T-SPOT technology platform, assesses T cell responses to foreign tissue as a means of better informing organ rejection risk in current or potential transplant recipients.

Our development pipeline also includes an assay to assess the overall competence of the T cell side of the immune system, products targeting autoimmune and inflammatory diseases, such as gout and Lyme disease, and an assay informing the efficacy of biologic therapies. We also continue to explore applications of our T-SPOT technology platform in the immune-oncology space. These products are in earlier stages of development.

We have incurred significant accumulated losses since inception. However, we generated profits of £636,000 and £3,422,000 during the years ended 31 December 2014 and 2013, respectively. The turnover for the year ended 31 December 2014 was £20.4 million and for the year ended 31 December 2013 was £17.5 million.

Our key financial and other performance indicators during the year were as follows:

	2014	2013	Change %
	£000s	£000s	
Turnover	20,431	17,532	17%
Operating profit	637	3,799	(83)%
Profit after taxation	636	3,422	(81)%
Shareholder's funds	46,029	44,334	4%
Average number of employees	70	58	21%

[2] CPT is a registered trademark of the American Medical Association.

Turnover increased by 17% in the year reflecting an increase in the customer base and market penetration for the core product, T-SPOT.*TB*.

Our 2014 operating profit and profit after taxation related primarily to the expansion of our sales and marketing programs, offset by increased product development expenses related to our transplant and other pipeline programs.

As a result of the Boulder acquisition, the balance sheet included goodwill and contingent purchase price consideration for the first time in 2014. In addition, stocks, debtors and creditors have increased due to growth in kit production and sales, as well as expanding sales and marketing, and research and development activity. Shareholder's funds increased due to the profit after taxation for the year and the share option reserve credit.

The average number of employees increased during 2014 as the volume of kit sales has grown, along with related sales and marketing activity.

With the exceptions of 2014 and 2013, when we earned profits after taxation of £636,000 and £3,422,000, respectively, we have incurred significant net losses and negative cash flows from operations since our inception.

As of 31 December 2014, we had cash at bank and in hand of £2.4 million.

FUTURE DEVELOPMENTS

The Directors continually evaluate the policies and strategies needed to continue our revenue growth. We expect that 2015 will show further sales growth in our existing and new markets.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial

Although we have generated profits in 2014 and 2013, we have a history of losses and we may incur additional losses over the next few years. We cannot be certain that we will sustain profitability.

Commercialisation

As of 31 December 2014, we were a single-product company that is heavily dependent on the successful further commercialisation of our T-SPOT.*TB* test and, if we encounter delays or difficulties in the further commercialisation of this product, our business could be harmed. Further, our success depends on continued demand for diagnostic products for tuberculosis. Tuberculosis screening policies could change such that tests are conducted less frequently or in fewer instances. If there are widespread testing policy changes that substantially reduce testing in the markets we serve, our business could be materially and adversely affected.

As noted in subsequent events, on 31 March 2015, the Group announced the availability in the United States of a new test that measures the strength of a patient's cellular immune response to cytomegalovirus (CMV). This T-SPOT.*CMV* test is available as a Laboratory Developed Test from the Company's CLIA-certified and CAP accredited service laboratory. In April 2015, the T-SPOT.*CMV* test received a CE Mark approval in Europe. This test measures the strength of a patient's cellular immune response to CMV. Future market success of this product is uncertain at this time.

Sales and Distribution

We face significant challenges and risks in managing our geographically dispersed sales and distribution network and retaining the individuals who make up that network. If a substantial number of our direct sales representatives were to leave us within a short period of time, or if a substantial number of our independent distributors were to cease to do business with us within a short period of time, our sales could be adversely affected.

Customers

Certain of our customers account for a significant portion of our turnover. In the event that any significant customer substantially reduces its purchases of our products, our results of operations could be materially and adversely affected.

Suppliers

We depend upon a limited number of suppliers, and certain components of our product may only be available from a sole source or limited number of suppliers. Even if the key components that we source are available from other parties, the time and effort involved in obtaining any necessary regulatory approvals for substitutes could impede our ability to replace such components timely or at all. The loss of a sole or key supplier would impair

our ability to deliver products to our customers in a timely manner, adversely affect our sales and operating results and negatively impact our reputation.

Facilities

We currently perform our tests for our service offering exclusively in one laboratory facility in the United Kingdom. If this facility or any future facilities or our equipment were damaged or destroyed, or if we experience a significant disruption in our operations for any reason, our ability to continue to operate our business could be materially harmed. We maintain insurance coverage against damage to our property and equipment and business interruption and research and development restoration expenses to manage this risk.

Regulatory

Our T-SPOT.*TB* test is, and any new product candidates will be, subject to extensive government regulations related to development, testing, manufacturing and commercialisation in various countries before we can sell in these markets. The process of obtaining and complying with governmental regulatory approvals and regulations is costly, time consuming, uncertain and subject to unanticipated delays.

In addition, some international jurisdictions, such as China, require periodic recertification. Even if we obtain initial certifications from regulatory bodies, we may lose certification after a periodic review. Failure to maintain requisite certifications from regulatory bodies would adversely affect our ability to generate future turnover and operating income.

Intellectual property

In developing, manufacturing and using our T-SPOT.*TB* test, we employ a variety of proprietary and patented technologies, including technologies we license from third parties. We have licensed, and expect to continue to license, various other technologies and methods. We cannot provide any assurance that the intellectual property rights that we own or license provide protection from competitive threats or that we would prevail in any challenge mounted to our intellectual property rights. In addition, we cannot provide any assurances that we will be successful in obtaining and retaining licenses or proprietary or patented technologies in the future. Further, our products may infringe the intellectual property rights of others and we may be unable to secure necessary licenses to enable us to continue to manufacture or sell our products.

Risk in relation to the use of financial instruments

We are exposed to market risks in the ordinary course of our business. These market risks are principally limited to interest rate fluctuations, capital market fluctuations, foreign currency exchange rate fluctuations, and credit risk, as discussed below.

Interest rate fluctuations

Changes in the general level of European interest rates expose OI Ltd. to interest rate risk. These changes could affect our interest income and interest expense.

Capital market fluctuations

Our cash and cash equivalents are invested in interest-bearing savings accounts. We do not enter into investments for trading or speculative purposes. We do not believe capital market fluctuations would have a material effect on the fair market value of our portfolio.

Foreign currency exchange rate fluctuations

We are exposed to foreign exchange rate risk. Because we currently operate in three major regions of the world, the United States, Europe & ROW, and Asia, our turnover is denominated in multiple currencies. As we continue to grow our business outside the United Kingdom, our results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. To date, we have not entered into any foreign currency hedging contracts although we may do so in the future.

Credit risk

Our customer base consists of hospitals, the National Health Service, commercial testing laboratories, importers and distributors. To date, we have had minimal bad debts.

EMPLOYEES

As of 31 December 2014, we had 77 employees including our Chief Executive Officer who is also a Statutory Director. None of our employees is represented by a labour union. However, we have one employee in Belgium covered under a collective bargaining agreement. We have not experienced any work stoppages and we believe our employee relations are good.

SUBSEQUENT EVENTS

On 29 January 2015, the Group entered into an Underwriting Agreement with a group of Underwriters, relating to an Offering of 4,255,319 ordinary shares, nominal value £0.00670, at an Offering Price to the public of $11.75 per Share. The Underwriters agreed to purchase the Shares from the Group pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, the Group granted the Underwriters a 30-day option to purchase up to an additional 638,297 Option Shares at the Offering Price, less underwriting discounts and commissions. On 30 January 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to the Group from the sale of the Shares and the Option Shares were approximately $57.5 million and the Group received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by the Group. The Offering closed on 4 February 2015.

On 31 March 2015, the Group announced the availability in the United States of a new test that measures the strength of a patient's cellular immune response to cytomegalovirus (CMV). This T-SPOT.*CMV* test is available as a Laboratory Developed Test from the Company's CLIA-certified and CAP accredited service laboratory.

In April 2015, the T-SPOT.*CMV* test received a CE Mark approval in Europe. This test measures the strength of a patient's cellular immune response to CMV.

In April 2015, we entered into a First Amendment to Distributorship Agreement, or the Amendment, with Fosun Long March Medical Science Co. Ltd. and Shanghai Xin Chang Medical Device Co. Ltd. (collectively the "Distributors"). The Amendment amends the Distributorship Agreement between the parties dated 8 October 2013, pursuant to which the Distributors purchase T-SPOT.*TB* test kits from us for distribution in China (the "Agreement"). In accordance with the terms of the Amendment, we will provide the Distributors with a certain quantity of T-SPOT.*TB* test kits at no charge for use in the Distributors' discount programs, subject to the achievement by the Distributors of certain minimum purchase requirements.

During the six-month period ended 30 June 2015, the Group granted to certain employees of OI Ltd. 202,607 share options with exercise prices ranging from $14.12 to $14.57 per share under the Oxford Immunotec Global PLC 2013 Share Incentive Plan (the "2013 Plan"). The weighted-average grant date fair value related to share options granted under the 2013 Plan during the six-month period ended 30 June 2015 was $6.44 per share. Share options generally vest based on the grantee's continued service with the Company during a specified period following the vesting start date or, in rare instances, based on the achievement of performance or other conditions as determined by the Board of Directors of OI Global, and expire after ten years. Also during the six-month period ended 30 June 2015, OI Global awarded certain employees 33,217 restricted share units with a grant date fair value of $14.12 per share under the 2013 Plan. The restricted share units vest based on the grantee's continued service with the Company during a specified period following grant as follows: 40% on the second anniversary of the vesting start date; 30% on the third anniversary of the vesting start date; and 30% on the fourth anniversary of the vesting start date. Share-based compensation expense for these restricted share units is calculated based on the grant date market price of the underlying shares and is being recognized over the service period.

On behalf of the Board

Peter Wrighton-Smith, Ph D
Director
17 September 2015

OXFORD IMMUNOTEC LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether applicable U.K. Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD IMMUNOTEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD IMMUNOTEC LIMITED

We have audited the financial statements of Oxford Immunotec Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD IMMUNOTEC LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Kevin Harkin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
17 September 2015

OXFORD IMMUNOTEC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
TURNOVER	1	20,431	17,532
Cost of sales		(8,772)	(6,828)
GROSS PROFIT		11,659	10,704
Other operating income	2	90	40
Other operating expenses	2	(11,112)	(6,945)
OPERATING PROFIT		637	3,799
Interest payable and similar charges	3	(1)	(377)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	636	3,422
Taxation	7	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	636	3,422

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

During the period the Company acquired a research business trade, net assets and shares in a German subsidiary from Boulder. The activities of the business acquired were immediately merged with the existing activities of the Company and hence it is not possible to show an analysis of the results of the acquisition.

OXFORD IMMUNOTEC LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
Profit for the financial year		636	3,422
Total recognized gains relating to the year		636	3,422
Prior year adjustment	8	—	(378)
Total recognised gains relating to the year		636	3,044

OXFORD IMMUNOTEC LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
ASSETS			
FIXED ASSETS			
Goodwill	9	1,706	—
Other intangible assets	9	338	405
Tangible assets	10	598	215
Investments	11	438	170
TOTAL FIXED ASSETS		3,080	790
CURRENT ASSETS			
Stocks	12	3,276	2,575
Debtors	13	46,519	42,683
Cash at bank and in hand		2,402	2,363
TOTAL CURRENT ASSETS		52,197	47,621
TOTAL ASSETS		55,277	48,411
LIABILITIES			
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	(8,465)	(4,077)
NET CURRENT ASSETS		43,732	43,544
TOTAL ASSETS LESS CURRENT LIABILITIES		46,812	44,334
NON-CURRENT LIABILITIES			
Contingent purchase price consideration	24	(783)	—
TOTAL LIABILITIES		9,248	4,077
NET ASSETS		46,029	44,334
CAPITAL AND RESERVES			
Called up share capital	16	71	71
Share premium account	17	66,200	66,200
Capital contribution reserve	17	3,467	3,467
Share option reserve	17	1,712	653
Profit and loss account	17	(25,421)	(26,057)
SHAREHOLDER'S FUNDS	18	46,029	44,334

The financial statements on pages 11 to 33 were approved by the Board of Directors and authorised for issue on 17 September 2015 and are signed on its behalf by:

Peter Wrighton-Smith, Ph D
Director
17 September 2015

OXFORD IMMUNOTEC LIMITED
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2014

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention. The principal accounting policies of the Company have remained unchanged from the prior year.

The financial position, including cash flows and liquidity position, of the Company are fully described in the consolidated financial statements of Oxford Immunotec Global PLC and subsidiaries ("the Group") for the year ended 31 December 2014. The Group is run as one business and OI Ltd. is the primary operating company of the Group. The Group's cash reserves are predominantly held in the parent company and transferred as required to its subsidiaries.

The Directors have received a letter of financial support from Oxford Immunotec Global PLC extending for at least 12 months from the date of signing the financial statements.

Having reviewed cash flow forecasts for the Group for the 12 month period following the date of signing the financial statements, and with parental financial support in place, the Directors have a reasonable expectation that OI Ltd. has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

The Company is exempt, by virtue of Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Oxford Immunotec Global PLC, a company incorporated in the U.K., and is included in the publicly available consolidated financial statements of this entity. Therefore, these financial statements present information about the Company and not its group.

INITIAL PUBLIC OFFERING AND CONVERSION

On 2 October 2013, OI Ltd. completed a scheme of arrangement under the laws of England and Wales, which was approved by the High Court of Justice in England and Wales. All holders of ordinary shares, preferred ordinary shares, options and warrants exchanged their interests in Oxford Immunotec Limited for identical interests in Oxford Immunotec Global PLC. As a result of this exchange, all allotted, called up and fully paid shares of OI Ltd. were converted into 71,112,611 ordinary shares fully owned by Oxford Immunotec Global PLC, which is now the parent company of OI Ltd.

Prior to the Scheme of Arrangement, the Company's 'A' Ordinary, the 'D' Ordinary and the 'A', 'B', 'D','E', 'F' and 'G' Preferred Ordinary shares in issue ranked pari passu as regards voting rights but constituted separate classes of equity shares. In addition, on a sale or liquidation the 'F' and 'G' Preferred Ordinary shareholders took precedence over the 'E' Preferred Ordinary shareholders, who, in turn took preference over the 'D' Preferred Ordinary shareholders, who, in certain circumstances in turn took preference over the 'B' Preferred Ordinary shareholders, who in turn took precedence over the 'A' Preferred Ordinary shareholders, who, in certain circumstances, took precedence over the other Ordinary shareholders. Also prior to the Scheme of Arrangement, on 4 January 2013 the Company issued 6,479,823 'G' Preferred Ordinary shares as it closed the second and final tranche of the June 2012 financing and issued a further 1,234,523 Ordinary shares as a result of the exercise of share options by several employees. The combined share premium related to these issues amounted to £6,784,000.

On 21 November 2013, the registration statement for OI Ltd.'s. parent company's initial public offering, or IPO, was declared effective by the U.S. Securities and Exchange Commission, or SEC. OI Ltd.'s. parent company sold 6,164,000 ordinary shares, at an initial public offering price of $12.00 per share, which included the exercise in full by the underwriters of their option to purchase up to 804,000 additional ordinary shares. Net proceeds from the IPO were $63.9 million, after deducting underwriting discounts and commissions and offering expenses.

COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, or U.K. GAAP).

USE OF ESTIMATES

The preparation of financial statements in conformity with U.K. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and that affect the reported amounts of turnover and expenditures during the reporting periods. Actual results could differ from those estimates and assumptions used.

FOREIGN CURRENCY TRANSLATION

The Company's functional currency has been determined as the Pound Sterling. The financial statements are presented in Pounds Sterling.

Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

TURNOVER RECOGNITION

Turnover includes both product turnover and service turnover.

OI Ltd. derives product turnover from the sale of its T-SPOT.*TB* diagnostic test kits and related accessories to a broad range of customers including hospitals, the National Health Service, commercial testing laboratories, importers and distributors.

Product turnover is generally paid directly by the customer and is recognised on an accrual basis when the following turnover recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) the product has been shipped or delivered in accordance with the shipping terms of the arrangement; (3) the price is fixed or determinable and known at time of shipment; and (4) collectability is reasonably assured. For products sold in Japan, the price only becomes determinable upon the wholesaler receiving a firm order from its customer and, as a result, this is when OI Ltd. recognises turnover for such sales. No product return rights are extended to customers of OI Ltd.

OI Ltd. derives service turnover primarily from its diagnostic laboratory in the United Kingdom where OI Ltd. performs its T-SPOT.*TB* test on samples sent by customers to its laboratory facilities.

Service turnover is recognised on an accrual basis when the following turnover recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) when the diagnostic result has been delivered; (3) the price is fixed or determinable; and (4) collectability is reasonably assured. This service turnover is referred to as "direct-bill" sales because OI Ltd. receives payment directly from the ordering entity.

OI Ltd. also generates turnover from sales to various government programmes, including the National Health Service, each with different billing requirements. Turnover from tests paid by third-party payors is recognised on an accrual basis based on OI Ltd.'s historical collection experience.

Taxes assessed by governmental authorities on turnover, including value added taxes, are recorded on a net basis (excluded from turnover) in the profit and loss account.

COST OF SALES

Cost of sales includes both cost of product sales and cost of service sales.

Cost of product sales consists primarily of costs incurred in the production process, including costs of raw materials and components, assembly labour and overhead, quality costs, royalty charges, and packaging and delivery costs.

Cost of service sales consists primarily of costs incurred in the operation of OI Ltd.'s diagnostic laboratories including labour and overhead, kit costs, quality costs, consumables, and royalty charges used in the testing process and packaging and delivery costs.

SHIPPING AND HANDLING

OI Ltd. generally bills product customers for shipping and handling and records the customer payments as product turnover. The associated costs are recorded as cost of product sales.

OI Ltd. does not normally bill its service customers for shipping and handling charges. Charges relating to inbound and outbound freight costs are incurred by OI Ltd. and recorded within cost of service sales.

CASH AT BANK AND IN HAND

OI Ltd. maintains its available cash balances in cash and bank savings accounts in the United Kingdom, United States and Germany. OI Ltd. maintains deposits in government insured financial institutions in excess of government insured limits. Management believes that OI Ltd. is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

DEBTORS

Accounts receivable, net are primarily amounts due from hospitals, the National Health Service, commercial testing laboratories, importers and distributors.

Accounts receivable are reported net of an allowance for uncollectible accounts. The process of estimating the collection of accounts receivable involves significant assumptions and judgments. Specifically, the accounts receivable allowance is based on management's analysis of current and past due accounts, collection experience and other relevant information. OI Ltd.'s provision for uncollectible accounts is recorded as a bad debt expense and included in general and administrative expenses. Although OI Ltd. believes amounts provided are adequate, the ultimate amounts of uncollectible accounts receivable could be in excess of the amounts provided.

STOCKS

Stocks consist of finished goods and raw materials. OI Ltd. does not maintain work in progress balances as the nature of the manufacturing process does not allow for test kits to be left in a partially manufactured state.

Stock is removed at cost. Stock is stated at the lower of cost and net realisable value. Cost is determined by the actual cost of components by batch plus estimated labour and overhead costs per unit. Net realisable value is based on an estimated selling price less any costs expected to be incurred to completion and sale. OI Ltd. reviews the components of its stock on a periodic basis for excess, obsolete or impaired stock, and records a provision for the identified items. At 31 December 2014 and 2013, OI Ltd. determined no stock provision was required.

PATENTS

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives which are generally in the range of five to ten years.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses include all costs associated with the development of OI Ltd.'s T-SPOT technology platform and potential future products including new diagnostic tests that utilise the T-SPOT technology platform and are charged to expense as incurred. In addition, with the acquisition of Boulder in the third quarter of 2014, the Group has expanded its research efforts to include assays for Lyme disease and gout and an assay to inform decisions regarding biologic therapies. Research and development expenses include direct costs and an allocation of indirect costs, including amortisation, depreciation, rent, supplies, insurance, and repairs and maintenance.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Property, plant and machinery is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. Depreciable lives range from three to ten years for laboratory equipment, office equipment and furniture and fixtures and three years for software and specialised shipping containers.

IMPAIRMENT OF FIXED ASSETS

The Group evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired, and assesses their recoverability based upon anticipated future cash flows. If changes in circumstances lead the Group to believe that any of its long-lived assets may be impaired, the Group will (a) evaluate the extent to which the remaining book value of the asset is recoverable by comparing the future undiscounted cash flows estimated to be associated with the asset to the asset's carrying amount and (b) write-down the carrying amount to market value to the extent necessary. There has been no impairment of long-lived assets to date.

BUSINESS COMBINATIONS

For acquisitions meeting the definition of a business combination, the Company allocates the purchase price, including any contingent consideration, to the assets acquired and the liabilities assumed at their estimated fair values as of the date of the acquisition with any excess of the purchase price paid over the estimated fair value of net assets acquired recorded as goodwill. The fair value of the assets acquired and liabilities assumed is typically determined by using either estimates of replacement costs or discounted cash flow valuation methods.

BUSINESS COMBINATIONS (CONTINUED)

When determining the fair value of tangible assets acquired, the Company estimates the fair value using the most appropriate valuation method with assistance from independent third party specialists. When determining the fair value of intangible assets acquired, the Company uses judgment to estimate the applicable discount rate, growth rates and the timing and amount of future cash flows. The fair value of assets acquired and liabilities assumed is typically determined by management using the assistance of independent third party specialists. The assumptions used in calculating the fair value of tangible and intangible assets represent the Company's best estimates. If factors change and the Company were to use different assumptions, valuations of tangible and intangible assets and the resulting goodwill balance related to the business combination could be materially different.

The terms of the purchase agreement with Boulder included contingent purchase price consideration consisting of future potential milestone payments totaling up to £3.6 million at any time on or prior to 31 July 2024. The milestone payments consist of completion of studies related to acquired technologies, development of diagnostic test kits, patient enrollment in an Institutional Review Board approved study, issuance of patents, and approvals or clearances by the U.S. Food and Drug Administration. The fair value of future potential milestone payments of £783,000 at 31 December 2014 was determined based upon a probability weighted analysis of expected future milestone payments to be made to the seller. This analysis includes significant management judgments related to the probabilities of success assigned to the milestones and to the discount rate utilised in the calculations. The Company will review the fair value of potential milestone payments at all future financial statement dates and adjust as needed.

Transaction costs are capitalized. The results of the acquired business are included from the date of the acquisition.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Intangible assets acquired as part of an acquisition of a business are recognised separately from goodwill if the fair value can be measured reliably on initial recognition. Goodwill and other intangible assets are amortised on a straight-line basis over their expected useful lives or 20 years, whichever is less. Goodwill, which is being amortised over 20 years, and other intangible assets are reviewed for impairment at the end of the first full financial year following acquisition, and will be reviewed in the future if events or changes in circumstances indicate that the carrying value may not be fully recoverable.

LEASING

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest element of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

INVESTMENTS

Fixed asset investments comprise investments in subsidiaries and are stated at cost less provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

RETIREMENT BENEFITS

The Company operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. The Company currently does not recognise any deferred tax assets.

GOVERNMENT GRANTS

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

SHARE-BASED PAYMENTS

Employees of OI Ltd. are eligible to participate in the share incentive plans of its parent company: Oxford Immunotec Global PLC ("OI Global"). Share-based compensation relates to grants of options to purchase ordinary shares and restricted shares. Currently, OI Global maintains one share incentive plan pursuant to which it may grant options to purchase its ordinary shares, restricted shares, restricted share units, and other share-based awards to its employees, directors and officers. This incentive plan is called the Oxford Immunotec Global PLC 2013 Share Incentive Plan (the "2013 Plan"). In addition, OI Global maintains the 2008 Amended and Restated Stock Incentive Plan (the "2008 Plan"). No new share grants or awards will be made under the 2008 Plan. OI Ltd. accounts for share-based remuneration arrangements with employees, officers and Directors by recognising compensation expense based on the grant date fair value of share-based payment transactions in the financial statements.

Note that only post-IPO policies are described below as amounts in pre-IPO periods were immaterial. Share-based remuneration costs for options are based on the fair value of the underlying option calculated using the Black-Scholes option-pricing model on the date of grant for share options and recognised as expense on an accelerated basis over the requisite service period, in accordance with U.K. GAAP. Determining the appropriate fair value model and related assumptions requires judgment, including estimating share price volatility, expected term and forfeiture rates. The expected volatility rates are estimated based on the actual volatility of comparable public companies over a historical period equal in length to the expected term. The expected terms represent the average time that options are expected to be outstanding based on the midpoint between the vesting date and the end of the contractual term of the award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. OI Ltd. has not paid dividends and does not anticipate paying cash dividends in the foreseeable future and, accordingly, uses an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards.

Beginning in 2014, certain employees have been granted restricted shares. There were no issuances of restricted shares in 2013. The fair value of restricted shares is calculated based on the closing sale price of the Company's ordinary shares on the date of issuance. No restricted shares have vested.

The cumulative expense recognised for share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and OI Ltd.'s best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

Where the terms of an equity award are modified, the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based compensation, or is otherwise beneficial to the employee as measured at the date of modification.

Where a share-based compensation award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Upon exercise, share options are redeemed for newly issued ordinary shares.

Provision is made for National Insurance contributions on outstanding share options that are expected to be exercised, based upon the latest enacted National Insurance rates and the market price of the underlying shares at the reporting period end, spread over the vesting period of the options.

FINANCING TRANSACTIONS

In October 2013, the Company issued a convertible promissory note in the principal amount of £3.1 million to Fosun Industrial Co., Ltd., (the Fosun Note) in return for £3.1 million in cash. The Fosun Note incurred coupon interest at 8% per annum which was recorded in interest payable and similar charges in the profit and loss account. The loan principal together with accrued interest was automatically convertible into ordinary shares of Oxford Immunotec Global PLC upon an IPO. Therefore, in connection with the IPO in November 2013, the Fosun Note and accrued interest of £30,628 converted into 467,551 Oxford Immunotec Global PLC ordinary shares at $10.80 per share, which reflected a 10% discount to the IPO offering price of $12.00 per share. The Company recorded the economic obligation to settle the loan principal and accrued interest in shares at a discount to their market value of £346,000, as an additional loan finance cost within interest payable and similar charges in the profit and loss account. As the loan, interest and additional loan finance liabilities were settled by the issuance of new ordinary shares issued by Oxford Immunotec Global PLC, the Company recorded a capital contribution credit from its parent company of £3,467,000 in capital contribution reserves and extinguished all loan-related liabilities.

1 TURNOVER

The Company competes internationally with other companies in the diagnostics sector. The Directors are of the opinion that to comply fully with the requirements of Statement of standard accounting practice No. 25 'Segmental Reporting' would be seriously prejudicial to the interests of the Company. Therefore, the geographical analysis of turnover by destination is not disclosed.

2 OTHER OPERATING (INCOME)/EXPENSES

	2014	2013
	£'000	£'000
Other operating income	(90)	(40)
Administrative expenses	11,112	6,945
	11,022	6,905

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£'000	£'000
Loan finance liabilities on the Fosun Note	—	346
On other loans wholly repayable within five years	1	31
	1	377

With respect to the Fosun Note, in 2013 the Company recorded the economic obligation to settle the loan principal and accrued interest in shares at a discount to their market value, of £346,000, as an additional loan finance cost.

Interest on other loans was payable mainly in relation to convertible loans that the Company utilised in 2013. The convertible loan balance at 31 December 2014 was £nil (2013: £nil).

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£'000	£'000
Profit is stated after charging:		
Amortisation of intangible assets	102	235
Depreciation of tangible assets	201	113
Loss on foreign exchange transactions	242	169
Research and development		
- Annual expenditure	2,009	370
Operating lease rentals		
- Rental for land and buildings	351	268
Auditor's remuneration	18	77
Remuneration of auditor for non-audit work	—	33

5 EMPLOYEES

The average monthly number of employees (including Directors) during the year was:

	2014 Number	2013 Number
Research	12	7
Administration, manufacturing and distribution	58	51
	70	58

EMPLOYMENT COSTS	2014 £'000	2013 £'000
Wages and salaries	2,896	2,535
Social security costs	392	335
Other pension costs	354	308
	3,642	3,178

Amounts shown in the table above exclude share option charges.

6 DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Emoluments	389	458
Value of OI Ltd. pension contributions to money purchase schemes	52	31
	441	489

	2014	2013
The number of Directors for whom retirement benefits are accruing under money purchase schemes was	1	1

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2014 £'000	2013 £'000
Total emoluments (excluding pension contributions)	328	378
Value of OI Ltd. pension contributions to money purchase schemes	52	31
	380	409

The highest paid Director exercised share options during 2013. No such share options were exercised in 2014.

7 TAXATION

	2014	2013
	£'000	£'000
U.K. corporation tax		
Current tax on profit of the period	—	—
Tax on profit on ordinary activities	—	—

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (21.50%) as explained below:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	636	3,422
Profit on ordinary activities before taxation multiplied by standard rate of U.K. corporation tax of 21.50% (2013 – 23.25%)	137	796
Effects of:		
Non-deductible expenses	36	84
Adjustment to profits	—	(88)
Capital allowances in excess of depreciation	(28)	(9)
Tax losses utilised	(110)	(600)
Research and development tax credits - current year	(234)	(111)
Other tax adjustments	199	(72)
	(137)	(796)
Current tax charge/(credit)	—	—

The Company has estimated losses of £21,103,161 (2013 £21,612,751) available for carry forward against future trading profits.

8 PRIOR YEAR ADJUSTMENT

In accordance with OI Ltd's. accounting policy for turnover recognition, product revenue is recognized on an accrual basis when the following revenue recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) the product has been shipped or delivered in accordance with the shipping terms of the arrangement; (3) the price is fixed or determinable and known at time of shipment; and (4) collectability is reasonably assured.

In late 2012, OI Ltd. began selling its T-SPOT.*TB* diagnostic test kits and related accessories to a wholesaler in Japan. For these sales, the price only becomes determinable upon the wholesaler receiving a firm order from its customer and, as a result, this is when the Company is required to recognize revenue for such sales. However, sales in 2012 were recorded upon shipment to the wholesaler in error. As a result, product revenue for 2012 was overstated by £561,000 and cost of sales was overstated by £148,000, making a net overstatement of 2012 gross profit of £413,000. A related foreign currency translation loss of £35,000 was omitted from other operating expenses in 2012. The net impact of this error was to understate 2012 operating loss, loss before taxation and loss after taxation by £378,000. The balance sheet impacts of the error were to understate 2012 prepayments and accrued income by £148,000, understate accruals and deferred income by £526,000 and to overstate shareholders' funds by £378,000.

The error has been addressed in 2013 by recording a prior year adjustment in accordance with FRS3 "Reporting Financial Performance".

9 INTANGIBLE FIXED ASSETS

	Goodwill	Patents	Total
	£'000	£'000	£,000
COST			
At 1 January 2014	—	1,207	1,207
Additions	1,741	—	1,741
Foreign exchange adjustment	—	(170)	(170)
At 31 December 2014	1,741	1,037	2,778
AMORTISATION			
At 1 January 2014	—	802	802
Foreign exchange adjustment	—	(170)	(170)
Charge for the year	35	67	102
At 31 December 2014	35	699	734
NET BOOK VALUE			
At 31 December 2013	—	405	405
At 31 December 2014	1,706	338	2,044

Goodwill additions include amounts arising from initial acquisition together with subsequent movements in contingent consideration. Please refer to Note 24 for further details of the Boulder acquisition.

10 TANGIBLE FIXED ASSETS

	Land, buildings, & leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
COST				
1 January 2014	557	706	527	1,790
Additions	226	268	126	620
Disposal	—	(36)	—	(36)
31 December 2014	783	938	653	2,374
DEPRECIATION				
1 January 2014	528	607	440	1,575
Charge in the year	50	78	73	201
31 December 2014	578	685	513	1,776
NET BOOK VALUE				
31 December 2013	29	99	87	215
31 December 2014	205	253	140	598

10 TANGIBLE FIXED ASSETS (CONTINUED)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery
	£'000
NET BOOK VALUES	
At 31 December 2013	2
At 31 December 2014	4
DEPRECIATION CHARGE FOR THE YEAR	
At 31 December 2013	2
At 31 December 2014	2

11 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings
	£'000
COST	
At 1 January 2014	170
Additions	403
At 31 December 2014	573
IMPAIRMENT	
Charge for the year	135
As at 31 December 2014	135
NET BOOK VALUE	
At 31 December 2013	170
At 31 December 2014	438

OI Ltd. has an investment comprised of the outstanding common stock in the amount of $1 for an off-the-shelf company, Oxford Immunotec Inc. that is incorporated in the U.S. in order for OI Ltd. to carry out the principal activity in that territory. In addition, OI Ltd. has investments consisting of the entire share capital of Oxford Immunotec K.K. and Oxford Immunotec Asia Limited, which allow the Company to carry out operations in Japan and Hong Kong, respectively. Oxford Immunotec Asia Limited, in turn, fully owns Oxford Immunotec (Shanghai) Medical Device Co. Ltd., which carries out operations in China. The Company also owns the entire share capital of Boulder Diagnostics Europe GmbH, a company located in Germany that was acquired in July 2014, and of Oxford Diagnostic Laboratories (UK) Limited, a company which has remained dormant since its incorporation.

Name of Company	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary Undertaking			
Oxford Immunotec Inc.	Ordinary shares	100%	Medical Diagnostics
Oxford Immunotec K.K.	Ordinary shares	100%	Medical Diagnostics
Oxford Immunotec Asia Limited	Ordinary shares	100%	Medical Diagnostics
Boulder Diagnostics Europe GmbH	Ordinary shares	100%	Medical Diagnostics
Oxford Diagnostic Laboratories (UK) Limited	Ordinary shares	100%	Medical Diagnostics (Dormant)

11 FIXED ASSET INVESTMENTS (CONTINUED)

The impairment charge for the year writes down the carrying value of the investment in Boulder Diagnostics Europe GmbH to £nil, due to the effective cessation of its operational activities by 31 December 2014.

12 STOCKS

	2014	2013
	£'000	£'000
Raw materials and consumables	2,846	2,218
Finished goods and goods for resale	430	357
	3,276	2,575

13 DEBTORS

	2014	2013
	£'000	£'000
Trade debtors	2,760	1,176
Amounts owed by parent undertakings	—	3,507
Amounts owed by subsidiary undertakings	42,916	36,796
Corporation tax	4	123
Other debtors	128	315
Prepayments and accrued income	711	766
	46,519	42,683

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Bank loans and overdrafts	8	119
Amounts owed to parent undertaking	3,548	—
Amounts owed to subsidiary undertakings	122	—
Net obligations under finance leases	5	3
Trade creditors	483	877
Taxes and social security costs	103	83
Other creditors	409	499
Accruals and deferred income	3,787	2,496
	8,465	4,077

NET OBLIGATIONS UNDER FINANCE LEASES

Repayable within one year	5	3
Finance charges and interest allocated to future accounting periods	—	—
	5	3

15 PENSION COSTS

DEFINED CONTRIBUTION

	2014	2013
	£'000	£'000
Contributions payable by the Company for the year	354	308
Contributions payable to the fund at the year end and included in creditors	(33)	(25)

16 SHARE CAPITAL

	2014	2013
	£'000	£'000
AUTHORISED		
110,000,000 Ordinary shares of £0.001 each	*	110
79,750 A Ordinary shares of £0.001 each	—	—
100,000 D Ordinary shares of £0.001 each	—	—
1,000,000 A Preferred Ordinary shares of £0.001 each	—	1
362,020 B Preferred Ordinary shares of £0.001 each	—	—
4,000,000 D Preferred Ordinary shares of £0.001 each	—	4
32,000,000 E Preferred Ordinary shares of £0.001 each	—	32
20,000,000 F Preferred Ordinary shares of £0.001 each	—	20
25,000,000 G Preferred Ordinary shares of £0.001 each	—	25
	*	192
ALLOTTED, CALLED UP AND FULLY PAID		
71,112,611 Ordinary shares of £0.001 each	71	71

* Effective June 2014, the Articles of Association of OI Ltd. were amended. As a result of the amendment, there is no limit on the number of new shares that can be issued.

On 2 October 2013, OI Ltd. completed a scheme of arrangement (the "Scheme of Arrangement") under the laws of England and Wales, which was approved by the High Court of Justice in England and Wales, whereby holders of equity interests in OI Ltd., a private limited company incorporated in England and Wales, including holders of ordinary shares, preferred ordinary shares, options and warrants, exchanged their interests in OI Ltd. for identical interests in Oxford Immunotec Global PLC, a public limited company incorporated in England and Wales, which then became the parent company of OI Ltd. In conjunction with the Scheme of Arrangement, on 2 October 2013, all allotted, called up and fully paid shares were transferred into 71,112,611 ordinary shares fully owned by Oxford Immunotec Global PLC.

Prior to the Scheme of Arrangement, the 'A' Ordinary, the 'D' Ordinary and the 'A', 'B', 'D','E' 'F' and 'G' Preferred Ordinary shares in issue ranked pari passu as regards voting rights but constituted separate classes of equity shares. In addition, on a sale or liquidation the 'F' and 'G' Preferred Ordinary shareholders took precedence over the 'E' Preferred Ordinary shareholders, who, in turn took preference over the 'D' Preferred Ordinary shareholders, who, in certain circumstances in turn took preference over the 'B' Preferred Ordinary shareholders, who in turn took precedence over the 'A' Preferred Ordinary shareholders, who, in certain circumstances, took precedence over the other Ordinary shareholders. Also prior to the Scheme of Arrangement, on 4 January 2013 the Company issued 6,479,823 'G' Preferred Ordinary shares as it closed the second and final tranche of the June 2012 financing and issued a further 1,234,523 Ordinary shares as a result of the exercise of share options by several employees. The combined share premium related to these issues amounted to £6,784,000.

17 RESERVES

	Share capital account	Share premium account	Other reserves (see below)	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2014	71	66,200	4,120	(26,057)	44,334
Profit for the year	—	—	—	636	636
Movement during the year	—	—	1,059	—	1,059
Balance at 31 December 2014	71	66,200	5,179	(25,421)	46,029

OTHER RESERVES

CAPITAL CONTRIBUTION RESERVE

Balance at 1 January 2014	3,467
Additions	—
Balance at 31 December 2014	3,467

SHARE OPTION RESERVE

Balance at 1 January 2014	653
Share option credit for the year	1,059
Balance at 31 December 2014	1,712

In October 2013, the Company issued a convertible promissory note in the principal amount of £3.1 million to Fosun Industrial Co., Ltd., (the Fosun Note) in return for £3.1 million in cash. The Fosun Note incurred coupon interest at 8% per annum which was recorded in interest payable and similar charges in the profit and loss account. The loan principal together with accrued interest was automatically convertible into ordinary shares of Oxford Immunotec Global PLC upon an IPO. Therefore, in connection with the IPO in November 2013, the Fosun Note and accrued interest of £30,628 converted into 467,551 Oxford Immunotec Global PLC ordinary shares at $10.80 per share, which reflected a 10% discount to the IPO offering price of $12.00 per share. The Company recorded the economic obligation to settle the loan principal and accrued interest in shares at a discount to their market value of £346,000, as an additional loan finance cost within interest payable and similar charges in the profit and loss account. As the loan, interest and additional loan finance liabilities were settled by the issuance of new ordinary shares issued by Oxford Immunotec Global PLC, the Company recorded a capital contribution credit from its parent company of £3,467,000 in capital contribution reserves and extinguished all loan-related liabilities.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014	2013
	£'000	£'000
Profit for the financial year	636	3,422
Proceeds from issue of shares	—	6,792
Capital contribution	—	3,467
Share option reserve credit	1,059	19
Net addition to shareholder's funds	1,695	13,700
Opening shareholder's funds (2013 – originally £31,012,000 before deducting prior year adjustment of £378,000)	44,334	30,634
Closing shareholder's funds	46,029	44,334

19 CONTINGENT LIABILITIES

The Company is developing new products under licence, and will be required to make payments under the terms of the licence contingent on the achievement of certain development and sales milestones.

From time to time the Company is involved in disputes, legal actions or employment tribunals arising in the ordinary course of its business. In the Directors' opinion, none of these is expected to have a material adverse impact on the Company's financial position or results of operations. The Company is not currently engaged in any such disputes or actions.

20 LICENSING AND ROYALTY COMMITMENTS

The Company has committed to pay minimum royalty and other payments under various licensing agreements. The Directors estimate the minimum future commitments arising under these agreements are payable as follows:

	2014	2013
	£'000	£'000
Within one year	1,084	1,173
Between two and five years	4,328	4,611
In over five years	16	1,160
	5,428	6,944

21 LEASING COMMITMENTS

Future annual operating lease payments due under commitments existing at 31 December 2014 amounted to £352,000. Future annual operating lease payments due under commitments existing at 31 December 2013 amounted to £336,000. The leases relate to land and buildings, for which leases expire in June 2019.

22 CONTROL

The ultimate parent company and controlling party is Oxford Immunotec Global PLC which is a company incorporated in the United Kingdom.

The Company is exempt, by virtue of Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Oxford Immunotec Global PLC, a company incorporated in the U.K., and is included in the publicly available consolidated financial statements of this entity. Therefore, these financial statements present information about the Company and not its group.

The parent undertaking of the largest group which includes the Company for which group financial statements are prepared is Oxford Immunotec Global PLC. The financial statements of Oxford Immunotec Global PLC are available to the public and may be obtained from the Registrar of Companies.

23 SHARE BASED PAYMENTS

Share option charges incurred by OI Ltd. for 2014 and 2013 were recorded on an accelerated basis in accordance with U.K. GAAP and were £1.1 million and £19,000 respectively.

Since 2003, the Group has issued share options to incentivize employees and Directors providing services to the Group. The Group currently maintains two equity compensation plans, the Amended and Restated 2008 Stock Incentive Plan and the 2013 Share Incentive Plan. With the adoption of the 2013 Share Incentive Plan, the Group is no longer authorized to grant awards under the Amended and Restated 2008 Stock Incentive Plan.

In November 2013, in connection with the Group's IPO, the Group adopted the 2013 Share Incentive Plan (the 2013 Plan) which provides for the grant of share options, restricted shares, restricted share units and other share-based awards to employees, officers, Directors and consultants of the Group. The 2013 Plan authorizes the Group to grant up to 2,684,563 ordinary shares with such amount automatically increasing annually on each 1 January from 1 January 2015 to 1 January 2023 by 4% of the number of shares outstanding on the close of business of the immediately preceding 31 December, provided that the Board of Directors may limit the increase to a smaller amount or to no increase in any given year. At 31 December 2014, there were 1,589,956 shares available for future issuance under the 2013 Plan.

Under both the 2008 Plan and the 2013 Plan, share options, and only under the 2013 Plan, restricted shares, have been granted to employees, officers and directors who provide services to the Company. Options generally vest based on the grantee's continued service with the Company during a specified period following grant or, in rare instances, based on the achievement of performance or other conditions as determined by the Board of Directors, and expire after ten years. Option awards to employees generally vest monthly over a four year period; however, the vesting percentage remains 0% until the second anniversary of the vesting start date of the employee's first option award under the 2008 Plan and either the second anniversary of the employee's date of hire or the first day of the month following the second anniversary of the employee's date of hire under the 2013 Plan. Restricted shares vest based on the grantees' continued service with the Company during a specified period following grant as follows: 40% on the second anniversary of the grant date; 30% on the third anniversary of the grant date; and 30% on the fourth anniversary of the grant date.

The expense recognized during the year related to share based compensation on options and restricted shares was as follows:

	2014	2013
	£000	£000
Cost of sales	270	—
Distribution costs	99	—
Administrative expenses	689	19
Total share-based compensation	1,058	19

23 SHARE BASED PAYMENTS (CONTINUED)

Prior to the Group's IPO in November 2013, the Group engaged a third-party consultant to assist the Board of Directors in the determination of the estimated fair market value of the Group's ordinary shares. The share price was determined by the Board of Directors using contemporaneous valuations. In certain instances, the valuation was delivered after the date the options were granted, but was retrospective to an earlier date specified in the valuation report.

Transactions in the Group's shares completed by independent investors represented the best indication of fair value of the securities. In addition, new rounds of venture capital financing, which reflected the expectations of independent investors with respect to the Group's future performance, usually provided a good indication of the fair value of the ordinary shares. In this case, the fair value of the ordinary shares, was derived based on the price paid by the venture capital investors for the preferred ordinary shares, taking into account the differences in various rights and liquidation preferences between ordinary shares and the preferred ordinary shares. This is also known as the back-solve approach. In cases where there were no transactions or new financings, the use of a discounted cash flow analysis and guideline public firm multiples, adjusted for unique characteristics of the Group, were used as accepted methodologies.

The following disclosures refer to 2014 only, as share option charges for 2013 were immaterial.

The fair value of the options was estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which options are granted. The weighted-average grant date fair value per share relating to share options granted under the Plan during the year ended 31 December 2014 was $10.63.

The fair value of each option granted under the Plan during 2014 has been calculated using the Black-Scholes Model on the date of grant using the following assumptions:

Expected dividend yield (%)	—
Expected volatility (%)	47.27
Risk-free interest rate (%)	1.85
Expected life of option (years)	6.25
Weighted-average share price ($)	22.26
Weighted-average exercise price ($)	22.26

Expected dividend yield: The Group has not paid and does not anticipate paying any dividends in the foreseeable future.

Risk-free interest rate: The Group determined the risk-free interest rate by using a weighted-average equivalent to the expected term based on the U.S. Treasury yield curve in effect as of the date of grant.

Expected volatility: As the Group operated as a private Group until November 2013, there is not sufficient historical volatility for the expected term of the options. Therefore, the Group used an average share price volatility over a historical period equal in length to the expected term, based on an analysis of reported data for a peer group of comparable companies which were selected based upon industry similarities. The Group intends to continue to use comparable companies in its volatility factor calculation until a sufficient amount of historical information regarding the volatility of its own share price becomes available.

Expected term (in years): Expected term represents the period that the Group's share option grants are expected to be outstanding. As the Group operated as a private Group until November 2013, there is not sufficient historical share data to calculate the expected term of the options. Therefore, the Group elected to utilize the "simplified" method to value share option grants. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates. The Group estimates forfeitures based on historical termination behaviour. For the year ended 31 December 2014 a forfeiture rate of 5% was applied.

23 SHARE BASED PAYMENTS (CONTINUED)

The following table illustrates the number of ordinary shares and weighted-average exercise prices of, and movements in, share options during 2014:

	2014 Ordinary shares	2014 Weighted -average exercise price
	Number	$
Outstanding as of 1 January	523,795	0.78
Granted	176,231	22.26
Exercised	(24,260)	0.14
Forfeited	(7,054)	3.37
Outstanding as of 31 December	668,712	6.43
Vested or expected to vest as of 31 December	655,559	6.31
Exercisable as of 31 December	405,654	2.54

The weighted-average remaining life of total options outstanding as of 31 December 2014 was 7.8 years.

The aggregate intrinsic value of all share options outstanding under the Plan as of 31 December 2014 is £4.1 million. The aggregate intrinsic value of share options that were fully vested under the Plan as of 31 December 2014 is £3.1 million.

During the year ended 31 December 2014, current and former employees of the Group exercised a total of 24,260, resulting in total proceeds of £2,000. The intrinsic value of share options exercised during the years ended 31 December 2014 was £0.2 million. In accordance with Group policy, the shares were issued from a pool of shares reserved for issuance under the Plan described above.

The total fair value of shares vested for the year ended 31 December 2014 was £0.3 million.

The following table illustrates the number of restricted shares and weighted-average fair value of, and movements in, restricted shares during the year:

	Number of ordinary shares	**WAFV in $**
Unvested balance as of January 1, 2014	—	$ —
Granted	119,560	22.99
Cancelled	—	—
Vested	—	—
Unvested balance as of December 31, 2014	119,560	22.99

24 ACQUISITION ACTIVITY

On 31 July 2014 ("date of the acquisition"), the Company acquired substantially all of the assets of Boulder Diagnostics, Inc., or Boulder, a privately owned company developing immunology-based assays for autoimmune and inflammatory conditions/diseases. The assets acquired primarily relate to assays for Lyme disease and gout and an assay to help select biologics for autoimmune disease based on monitoring and prognosis of drug response that was acquired in conjunction with the Boulder acquisition. As part of the transaction, Boulder transferred to the Company all shares of capital stock in its wholly-owned subsidiary, Boulder Diagnostics Europe GmbH, such that the Company has become the sole owner of Boulder Diagnostics Europe GmbH.

The terms of the purchase agreement provided for an upfront payment of £1.0 million and contingent purchase price consideration consisting of future potential milestone payments totaling up to £3.6 million in respect of the Lyme disease and gout assays at any time on or prior to 31 July 2024. The milestone payments consist of up to £237,000 for the completion of studies related to acquired technologies, up to £414,000 for the development of diagnostic test kits, £296,000 for the first patient enrolled in an Institutional Review Board approved study, up to £888,000 for the issuance of patents, and up to £1.8 million for approvals or clearances by the U.S. Food and Drug Administration. The fair value has been estimated to be £738,000 on the date of acquisition based on significant assumptions, including the probabilities of milestone occurrence, the expected timing of milestone payments, and a discount rate of 15%. Such liability is adjusted to fair value at each reporting date, with the offset reflected in goodwill. As of 31 December 2014, the liability and total goodwill have each been increased by £45,000 to £783,000 and £1,741,000, respectively. Amortisation of £35,000 has reduced the value of goodwill reflected in the balance sheet at 31 December 2014 to £1,706,000.

The acquisition of Boulder was accounted for under the acquisition method of accounting and the purchase price allocation was finalised during the fourth quarter of 2014. Total consideration was:

	£'000
Cash consideration	1,020
Estimated fair value of contingent consideration	738
Acquisition costs	109
Total consideration	1,867

£108,000 of the cash consideration has been placed in an escrow account for a period of 24 months as security for any undisclosed liabilities and as indemnification for certain items. The Company paid £109,000 in transaction costs associated with this transaction, which is included in goodwill in the balance sheet.

The following table summarises the allocation of the purchase price of the Boulder acquisition at the acquisition date:

	Book values per Boulder	Fair value revaluation	Other adjustments	Fair values at date of acquisition
	£'000	£'000	£'000	£'000
Assets acquired:				
Property and equipment	50	(14)	—	36
Shares in subsidiary undertaking	135	—	—	135
Total assets acquired	185	(14)	—	171
Goodwill				1,696
Total consideration				1,867

As the acquisition was of certain assets of Boulder, it has not been possible to obtain the trading results of the business immediately prior to the acquisition.

25 RESTRUCTURING

During the fourth quarter of 2014, the Company closed the facilities that had been used by Boulder (see Note 24 "Acquisition activity"). As a result of these actions, the Company recorded in research and development expense a restructuring charge of £2,000 for the relocation of a former employee of Boulder. No payments were made as of 31 December 2014.

26 SUBSEQUENT EVENTS

On 29 January 2015, the Group entered into an Underwriting Agreement with a group of Underwriters, relating to an Offering of 4,255,319 ordinary shares, nominal value £0.00670, at an Offering Price to the public of $11.75 per Share. The Underwriters agreed to purchase the Shares from the Group pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, the Group granted the Underwriters a 30-day option to purchase up to an additional 638,297 Option Shares at the Offering Price, less underwriting discounts and commissions. On 30 January 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to the Group from the sale of the Shares and the Option Shares were approximately $57.5 million and the Group received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by the Group. The Offering closed on 4 February 2015.

On 31 March 2015, the Company announced the availability in the United States of a new test that measures the strength of a patient's cellular immune response to cytomegalovirus (CMV). This T-SPOT.*CMV* test is available as a Laboratory Developed Test from the Company's CLIA-certified and CAP accredited service laboratory.

In April 2015, the T-SPOT.*CMV* test received a CE Mark approval in Europe. This test measures the strength of a patient's cellular immune response to CMV.

In April 2015, OI Ltd. entered into a First Amendment to Distributorship Agreement (the "Amendment") with Fosun Long March Medical Science Co. Ltd. and Shanghai Xin Chang Medical Device Co. Ltd. (collectively the "Distributors"). The Amendment amends the Distributorship Agreement between the parties dated 8 October 2013, pursuant to which the Distributors purchase T-SPOT.*TB* test kits from OI Ltd. for distribution in China (the "Agreement"). In accordance with the terms of the Amendment, OI Ltd. will provide the Distributors with a certain quantity of T-SPOT.*TB* test kits at no charge for use in the Distributors' discount programs, subject to the achievement by the Distributors of certain minimum purchase requirements.

During the six-month period ended 30 June 2015, OI Global granted to certain employees of OI Ltd. 202,607 share options with exercise prices ranging from $14.12 to $14.57 per share under the Oxford Immunotec Global PLC 2013 Share Incentive Plan (the "2013 Plan"). The weighted-average grant date fair value related to share options granted under the 2013 Plan during the six-month period ended 30 June 2015 was $6.44 per share. Share options generally vest based on the grantee's continued service with the Company during a specified period following the vesting start date or, in rare instances, based on the achievement of performance or other conditions as determined by the Board of Directors of OI Global, and expire after ten years. Also during the six-month period ended 30 June 2015, OI Global awarded certain employees 33,217 restricted share units with a grant date fair value of $14.12 per share under the 2013 Plan. The restricted share units vest based on the grantee's continued service with the Company during a specified period following grant as follows: 40% on the second anniversary of the vesting start date; 30% on the third anniversary of the vesting start date; and 30% on the fourth anniversary of the vesting start date. Share-based compensation expense for these restricted share units is calculated based on the grant date market price of the underlying shares and is being recognized over the service period.