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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 001-36200

OXFORD IMMUNOTEC GLOBAL PLC

(Exact name of registrant as specified in its charter)

England and Wales (State or Other Jurisdiction of Incorporation or Organization)	**98-1133710** (I.R.S. Employer Identification No.)
94C Innovation Drive, Milton Park, Abingdon OX14 4RZ, United Kingdom (Address of Principal Executive Offices)	**Not Applicable** (Zip Code)

+44 (0)1235 442780
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of exchange on which registered**
Ordinary Shares, £0.006705 nominal value per share	**The NASDAQ Global Market**

Securities registered pursuant to Section 12(g) of the Act
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☐	Accelerated filer ☒	Smaller reporting company ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)		Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 20, 2018, there were 25,872,058 Ordinary Shares, nominal value £0.006705, of Oxford Immunotec Global PLC outstanding.

As of June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Ordinary Shares held by non-affiliates was approximately $373,374,834.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (or parts thereof) are incorporated by reference into the following parts of this Form 10-K: Certain information required by Part III of this Annual Report on Form 10-K is incorporated from our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, and exhibits hereto, contains or incorporates by reference estimates, predictions, opinions, projections and other statements that may be interpreted as "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The forward-looking statements are contained principally in Part I, Item 1: "Business," Part I, Item 1A: "Risk Factors," and Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this Annual Report. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "would," "could," "should," "intend," "plan," "contemplate," "expect," "anticipate," "believe," "estimate," "predict," "project," "target," "potential," "continue," and "ongoing" and other comparable expressions intended to identify statements about the future, although not all forward-looking statements contain these identifying words. These statements involve substantial known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievements to differ materially from those currently anticipated. Forward-looking statements are neither historical facts nor assurances of future performance. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Annual Report, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain and that involve substantial risks and uncertainties. Such risks and uncertainties include, but are not limited to:

- our history of losses, our ability to achieve or sustain profitability and our ability to manage our growth;
- our ability to effectively use our current financial resources and our ability to obtain additional capital resources;
- our ability to service our debt and meet the obligations thereunder;
- our ability to further develop, commercialize and achieve market acceptance of our current and future products;
- our ability to obtain and maintain regulatory body clearance and approval to market any of our products;
- continued demand for diagnostic products for tuberculosis, tick-borne diseases and other than immune-regulated conditions and the development of new market opportunities;
- our ability to compete successfully and to maintain and expand our sales network;
- our ability to properly complete and submit claims to insurers and other third party payors with respect to coverage and reimbursement;
- decisions by insurers and other third party payors with respect to coverage and reimbursement;
- our dependence on certain of our customers, suppliers and service providers;
- disruptions to our business, including disruptions at our laboratories and manufacturing facilities;
- the integrity and uninterrupted operation of our information technology and storage systems;
- the impact of currency fluctuations on our business;
- the impact of global economic and political developments, including the referendum to leave the European Union, passed by the United Kingdom, or U.K., on June 23, 2016, and further implementing legislation on our business;
- potential changes in the United States, or U.S., social, political, regulatory and economic conditions or laws and policies governing the health care system, U.S. tax laws, foreign trade, immigration, manufacturing, and development and investment in the territories and countries where we or our customers and suppliers operate;
- our ability to make successful acquisitions or investments and to manage the integration of such acquisitions or investments;
- our ability to retain key members of our management;
- the impact of taxes on our business, including our ability to use net operating losses;
- the impact of legislative and regulatory developments, including healthcare and tax reform, on our business;
- potential changes to the Patient Protection and Affordable Care Act of 2010, or PPACA;
- the impact of product liability, intellectual property and commercial litigation on our business;
- our ability to comply with Securities and Exchange Commission, or SEC, reporting, antifraud, anti-corruption, environmental, health and safety laws and regulations;
- our ability to maintain our licenses to sell our products around the world, including in countries such as China and the U.S. and in the several U.S. states requiring licensure;
- our ability to protect and enforce our intellectual property rights;

- our status as an emerging growth company, which ends in late 2018, and as an English company listing ordinary shares in the U.S.;
- the volatility of the price of our shares, substantial future sales of our shares and the fact that we do not pay dividends; and
- the impact of anti-takeover provisions under U.K. law and our articles of association.

You should refer to Item 1A, "Risk Factors" in this Annual Report for a discussion of other important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate. Further, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements in this Annual Report represent our views only as of the date of this Annual Report. Subsequent events and developments may cause our views to change. While we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to publicly update any forward-looking statements, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Annual Report. As used in this Annual Report, the words "Company," "we," "us" and "our" refer to Oxford Immunotec Global PLC, a public limited company incorporated under the laws of England and Wales.

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Part I

Item 1. Business

Overview

We are a global, high-growth diagnostics company focused on developing and commercializing proprietary tests for underserved immune-regulated conditions. Our focus is on four areas: infectious diseases transplantation, autoimmune and inflammatory disease and immune-oncology. We believe these areas are particularly attractive 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 characterized by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorize patients and inform treatment pathways particularly useful and cost-effective. Lastly, we believe these conditions to be underserved as the industry lacks the appropriate techniques to prosecute the immune responses which are driving these conditions.

Our first product is our proprietary T-SPOT®[1].*TB* test, which is used to test for tuberculosis, or TB, infection and leverages our T-SPOT technology platform, which allows us to measure the response of specific immune cells to inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. 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 Food and Drug Administration, or FDA, in Europe, where we have obtained a CE mark, as well as in Japan and China. Interferon-gamma release assays, or IGRAs, such as our T-SPOT.*TB* test have been included in clinical guidelines for TB testing in over 30 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, Germany, France and South Korea. We have also established the cost-effectiveness of our test in several published studies.

Our second product line is a range of assays for tick-borne diseases, such as Lyme disease. Tick-borne disease is the collective name for diseases passed to humans through the bite of an infected tick. The most prevalent and well known tick-borne disease is Lyme disease, but there are others such as anaplasmosis, ehrlichiosis, and babesiosis. If left unrecognised, and therefore untreated, they may go on to cause significant complications, including in rare cases death. Our tick-borne disease tests utilize molecular methods (such as polymerase chain reaction) and techniques to prosecute the immune system, and are widely reimbursed in the U.S. using existing codes on fee schedules. Our tests include multiple laboratory developed tests, or LDTs, which utilize unique methodologies offered from our Clinical and Laboratory Improvement Amendments, or CLIA, certified and College of American Pathologists, or CAP, accredited laboratory in Massachusetts and an FDA cleared test kit utilizing the C6 peptide, which is a marker specific to Lyme disease. Our C6 Lyme ELISA™ kit is also CE marked in the European Union.

Our third product line is a series of assays for use in screening blood for the parasite *Babesia microti* which causes babesiosis. Babesiosis is a tick-borne disease characterized by a wide spectrum of clinical manifestations that range from asymptomatic to severe acute or even fatal illness. The disease is generally mild to moderate in children and young healthy adults, but it is more severe in neonates, the elderly and immunocompromised individuals such as those undergoing treatment for cancer. While it is primarily transmitted through a tick bite, babesiosis can also be transmitted by blood transfusion. In fact, transfusion-transmitted babesiosis is responsible for the highest percentage (31%) of transfusion-related infectious fatalities reported to the FDA in transfusion recipients and *Babesia microti* is the highest ranking pathogen in the U.S. transmitted by blood transfusion for which no licensed donor screening is available. The transmission risk of *Babesia microti* is comparable to the transmission risk of HIV, HBV, and HCV prior to the implementation of routine blood screening programs for these pathogens. Screening of blood products for *Babesia microti*, therefore, has become a priority for the FDA. We are developing three assays for use in screening the U.S. blood supply for *Babesia microti.* We have submitted biologics license applications, or BLAs, for these three assays and they are currently under review by the FDA.

Our T-SPOT.*CMV* test is a part of our fourth product line focused on the transplantation market. The test utilizes our T-SPOT technology platform and is an LDT performed in our CLIA certified, CAP accredited laboratory in Tennessee. The T-SPOT. *CMV* test is also CE marked as a kit in the European Union. The T-SPOT. *CMV* test measures the strength of a patient's cellular immune response to antigens specific to cytomegalovirus, or CMV, and provides information that may be useful in informing management strategies of patients at risk of CMV infection and disease, such as transplant patients. We continue to take a measured approach to market introduction of this test as we await final results of our two pivotal clinical studies involving this test.

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[1] "T-SPOT®," "T-Cell *Xtend*®," "Oxford Diagnostic Laboratories®," "ODL®," "SpiroFind®", "Immunetics®," the Oxford Immunotec logo, our laboratory logo and other marks are our trademarks. Solely for convenience, trademarks and trade names referred to in this Annual Report on Form 10-K, 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.

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

Product development activities are inherently uncertain, and there can be no assurance that we will be able to obtain regulatory body clearance to market our products, including our blood donor screening assays, and delays in obtaining regulatory clearance may allow for increased competition, thereby potentially impacting the successful commercialization of our products. In addition, we may terminate our development efforts with respect to one or more of our products under development at any time, including before or during clinical trials, based upon changed market conditions.

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 market opportunity for our tests directed to Lyme and other tick-borne diseases exceeds $400 million. We have not yet sized the market opportunity for our transplantation and blood screening assays, as the volume of sales and pricing remain unknown.

We are a global business with 457 employees, including sales and marketing teams on three continents, and laboratories in the United States and the United Kingdom. In 2017, we derived approximately 38% of our revenue from outside the United States and our current customer base includes more than 3,000 active customers, such as hospitals, public health departments, physician offices, commercial testing laboratories, importers and distributors.

Our focus

Our focus is to develop and commercialize proprietary assays for under-served immune-regulated conditions by leveraging the technological, product development, manufacturing, quality, regulatory and sales and marketing capabilities we have developed over our fifteen year history. Large populations of patients have immune-regulated conditions that are often chronic conditions requiring active management through monitoring. Testing that allows better categorization of patients and yields insights into the most likely successful treatment path facilitates personalized medicine, directing therapies to patients in whom they are more likely to work and saving healthcare dollars. We view this space as being underserved by traditional diagnostic companies which lack appropriate techniques to prosecute the immune system.

Understanding immune-regulated conditions requires interrogation of the immune system. The human immune system is composed of two principal branches: cellular (T cell) immunity and humoral (B cell and antibody-based) immunity. Through our T-SPOT technology platform we can efficiently measure marker-specific T cell responses at a single cell level and thereby inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. We employ a quantitative method to detect antigen-specific cells releasing immune messenger molecules, called cytokines, released by effector T cells. In relation to effector T cells, our technology is designed to selectively measure responses from this subtype of T cells because they are primarily present when active, replicating pathogens are inside the body, as opposed to other T cell subtypes that may be present long after an infection has been cleared from the body. For diagnosis and monitoring applications, it is more relevant to be able to measure the immune response associated with the current infection rather than the immune response associated only with past, cleared exposure.

Our T-SPOT technology offers many technical advantages that make it well suited to support our focus on immune-regulated conditions including high analytical sensitivity, application across multiple diseases and conditions and standardization of white blood cell counts, which makes our technology particularly useful in immunocompromised patients, such as those undergoing transplant surgery or immunosuppressive therapy. We employ proprietary manufacturing processes and protocols designed to cost-effectively and reliably produce key elements of our T-SPOT technology, including the process for coating microtiter plates with cytokine antibodies, such as IFN-*y* antibodies, and our quality control testing procedures. Further, we have developed proprietary methods designed to achieve rapid throughput in assay performance across our product lines. These methods involve specific protocols throughout the assay process and have been developed in our service and research and development laboratories.

Our assays directed to tick-borne diseases include differentiated tests that provide increased insight into antibody responses to tick-borne pathogens, which may help clinicians understand the disease state more completely. Our C6 Lyme test kit employs a patented synthetic peptide derived from a protein that is highly specific for Lyme disease.

In addition to our technologies, we have a number of capabilities that we believe we can leverage in developing and commercializing products. We operate both kit and service offerings, giving us go to market flexibility. We have a proven track record of running multi-center clinical trials, changing guidelines and establishing reimbursement, capabilities that are important to commercial success of diagnostic products. We have the experience and capability to gain regulatory clearance to manufacture and sell products meeting the regulatory requirements of numerous countries around the world. This, combined with our global sales and marketing infrastructure, allows us to generate revenues in a large number of countries.

Our Commercial Products and Late-Stage Product Pipeline

Tuberculosis

Tuberculosis is a common and, if not properly treated, potentially lethal infectious disease caused by the bacterium *Mycobacterium tuberculosis*, or MTB. MTB typically infects the lungs, but the lymph nodes, kidneys, brain and bones may also be infected. Those with latent tuberculosis infection, or LTBI, are asymptomatic and are not infectious; however, each person with LTBI has a 5% to 10% chance, on average, of progressing to active TB over his or her lifetime. This risk of progression to active TB is significantly elevated among individuals with weakened immune systems, such as those with human immunodeficiency virus, or HIV, or diabetes or those on drugs that suppress the immune system (e.g., those taking biologic therapies for autoimmune disease or those undergoing immune suppression post-transplantation). Without proper treatment, up to two thirds of individuals with active TB disease will die.

According to the World Health Organization, or WHO, approximately one-third of the world's population, over two billion people, is infected with *M. tuberculosis*. Despite the availability of an effective treatment, TB is the leading cause of infectious disease death worldwide and remains one of the top ten causes of death worldwide from any cause. The WHO estimated that in 2016 approximately 10 million people were diagnosed with active TB disease, of which approximately 1.7 million people died.

There are three broad strategies to control TB: vaccination, finding and treating active TB disease, and finding and treating LTBI to prevent the development of new active TB disease cases. The United States has one of the most comprehensive LTBI screening programs in the world with screening of several high-risk groups, including healthcare workers, recommended by the U.S. Centers for Disease Control and Prevention, or the CDC. Screening of healthcare workers is also recommended as part of the accreditation standards for U.S. hospitals. Other high-risk groups identified by CDC include persons with immunosuppressive conditions, such as persons receiving immunosuppressive agents or organ transplant recipients, and persons with human immunodeficiency virus, or HIV. In addition, TB screening is required in many cases for additional populations, such as day care staff, school teachers and students, and emergency response personnel.

In total, we estimate that there are approximately 22 million LTBI tests performed each year in the United States, the majority of which are performed within the healthcare system in a variety of settings, including hospitals, public health offices, physicians' offices and clinics. Outside the United States, we estimate the total number of tests to be approximately 28 million each year, for a combined market size of approximately 50 million LTBI tests annually.

The primary test currently used for TB screening is the more than 100-year-old TST. The TST is administered by injecting an extract from cultured *M. tuberculosis*, called tuberculin or PPD, into the skin of a subject's forearm using a needle and syringe. The injection of the PPD into the skin of a subject previously infected with MTB stimulates the immune response, including T cells, causing the formation of a hard lump at the site of the injection. Because it takes time for this reaction to occur, the subject must return 48 to 72 hours after the PPD injection to have the result read. The test result is graded by feeling for the boundaries of the swelling, marking these with a pen and then measuring the diameter with a ruler.

The TST suffers from several limitations, including an antiquated technique that results in substantial test variability, false negative results in immunocompromised patients, false positive results in patients who have been Bacille Calmette-Geurin, or BCG, vaccinated and boosting of results, which occurs when an infected subject's reaction to an initially false-negative TST causes increased sensitivity in a subsequent test such that it tests positive. In addition to these technical drawbacks, the TST requires multiple patient visits, which increases its overall cost.

Our T-SPOT.*TB* test addresses the limitations of the TST by directly measuring antigen-specific T cells indicative of TB infection. We use two TB-specific antigens, ESAT-6 and CFP10, to stimulate T cells that have previously been exposed to *M. tuberculosis*, which causes them to release a cytokine called interferon-gamma. Interferon-gamma is one of the dominant cytokines released by activated T cells when encountering *M. tuberculosis*. In contrast to the PPD reagent used in the TST, these two antigens are not shared with the BCG vaccine or with most non-tuberculous mycobacteria. Because our test detects individual T cells via their release of interferon-gamma, our test is sometimes referred to generically as an IGRA.

We currently offer our T-SPOT.*TB* test in either an *in vitro* diagnostic kit or a service format. In the former, we sell test kits and associated accessories to laboratories for them to perform the testing themselves. In the latter, we have established clinical testing laboratories in the United States and the United Kingdom, where we perform our T-SPOT.*TB* test on samples sent to us by customers. In these markets, we have found that many customers prefer to send samples to us rather than perform their own analysis on-site. We market our service offering under the name Oxford Diagnostic Laboratories®, or ODL®.

Our test is widely reimbursed both internationally, with reimbursement established in Japan, Switzerland, Germany, France and South Korea, and in the U.S., where we have established a unique CPT code for our test. Based upon the combination of public and private payors, we have over 300 million covered lives in the U.S.

We believe that clinical guidelines, which are recommendations issued by national medical societies or public health bodies, are a driving factor in a clinician's decision to use a specific diagnostic test. IGRAs, such as our T-SPOT.*TB* test have been included in clinical guidelines for TB testing in over 30 countries, including the United States, several European countries and Japan.

In recent years, the use of IGRAs has been increasingly recommended. For example, in December 2016, a publication titled "Official American Thoracic Society/Infectious Diseases Society of America/Centers for Disease Control and Prevention Clinical Practice Guidelines: Diagnosis of Tuberculosis in Adults and Children" recommended use of IGRAs for testing for TB infection instead of the TST for patients over the age of five who meet the following criteria: 1) are likely to be infected with MTB, 2) have a low or intermediate risk of disease progression, 3) testing for LTBI is warranted, and 4) either have a history of BCG vaccination or are unlikely to return for a second visit to read the TST.

We believe that these guidelines, and similar national guidelines outside the United States, allow us to access the vast majority of the current TST market and assert the superiority of an IGRA in significant segments of the market.

We currently market our T-SPOT.*TB* test directly in the United States, Northern Europe and Japan. Outside of these territories, we have contracted with distributors who market and sell our test. In countries where we have a direct presence, we use a combination of sales managers, sales representatives, customer service staff and technical experts to interact with clinicians, nurses, administrative staff, laboratories and other groups who are involved in the implementation of TB screening programs. Our goal is to educate these groups about the clinical, operational and economic benefits of switching from the TST to our T-SPOT.*TB* test. Our customer service staff and technical experts are also involved in the practical training of customers to perform and order our T-SPOT.*TB* test as well as providing ongoing customer support. In addition to these teams, we offer a diverse array of marketing programs and services, which include advertising, medical education, attendance at scientific meetings and other awareness-raising activities.

In 2017, we derived approximately 83% of our revenue from sales of our T-SPOT.*TB* test.

Tick-borne diseases

Tick-borne diseases is the collective name for diseases passed to humans through the bite of an infected tick. As reported by the CDC, the most common tick-borne disease in the United States is Lyme disease, and it is estimated that over 300,000 people are diagnosed with the disease each year. Other tick-borne diseases include Rocky Mountain Spotted Fever, babesiosis, erlichiosis, anaplasmosis, Powassan disease, tick-borne relapsing fever and tularemia. According to data maintained by CDC, the incidence of all tick-borne diseases has increased steadily each year and the number of reported cases of Lyme disease more than doubled from 2001 through 2016.

The symptoms of tick-borne diseases often overlap, making diagnosis a challenge without accurate tests that can differentiate between the causative agents of disease. The CDC recommended approach for diagnosis of Lyme disease involves a 2-tier testing methodology that relies on detection of antibodies. While these guidelines are effective in many situations, this 2-tier testing algorithm has limitations, especially during the first few weeks of infection. Furthermore, the CDC guidelines for Lyme disease testing do not require testing for other tick-borne infections, meaning that such infections may be missed.

Tests, or combinations of tests, that allow for more timely and accurate detection of tick-borne infections other than Lyme disease are a primary unmet need in this market. Our portfolio of tick-born disease tests addresses this need by covering a wide range of tick-borne diseases, including babesiosis, erlichiosis and anaplasmosis. Our tests also aim to address the separate unmet need for tests that have higher sensitivity in early presentations of Lyme disease. We use a variety of methods, including antibody capture, enzyme immunoassay, or EIA, western blot, polymerase chain reaction, or PCR, and immunofluorescence assay, or IFA, to detect serological and molecular evidence of the particular organisms associated with tick-borne disease.

We also maintain a tick-borne disease database of specimens with serological evidence of infection. This database allows us to run a comparative analysis of current and past samples to provide further information to clinicians about their patients and disease state. Our database also enables us to analyze co-infection data and tailor test combinations to the tick-borne diseases most prevalent in particular geographies.

In 2017, our Massachusetts laboratory began offering an assay targeting Rocky Mountain Spotted Fever, or RMSF. RMSF is the most lethal and most frequently reported rickettsial tick-borne diseases in the United States. Although RMSF cases have been reported throughout most of the contiguous United States, five states (North Carolina, Oklahoma, Arkansas, Tennessee, and Missouri) account for over 60% of RMSF cases. The early clinical presentation of RMSF is nonspecific and may resemble a variety of other infectious and non-infectious diseases. Our offering can be used to identify RMSF infection as well as other rickettsial diseases.

In addition to our service offerings, our C6 *Borrelia burgdorferi* (Lyme) ELISA kit, or C6 Lyme ELISA kit, measures Lyme specific antibodies by leveraging a synthetic version of the C6 peptide antigen, a marker specific to *Borrelia burgdorferi*, the causative organism of Lyme disease in the U.S. We currently utilize our sales force to market our tick-borne disease tests directly in the U.S. Outside the U.S., we rely on our direct sales force as well as independent distributors to market our C6 Lyme ELISA kit.

Babesia microti Blood Screening

Babesiosis is a tick-borne disease characterized by a wide spectrum of clinical manifestations that range from asymptomatic to severe acute or even fatal illness. While the disease is generally mild to moderate in children and young healthy adults, it is more severe in neonates, the elderly and immunocompromised individuals such as those undergoing treatment for cancer. Babesiosis is predominately caused by a parasite called *Babesia microti*. While it is primarily transmitted through a tick bite, babesiosis can also be transmitted by blood transfusion. Transfusion-transmitted babesiosis is responsible for the highest percentage (31%) of transfusion-related infectious fatalities over the past ten years (2006 – 2015) reported to the FDA in transfusion recipients and *Babesia microti* is the highest ranking pathogen in the U.S. transmitted by blood transfusion for which no licensed donor screening is available. The transmission risk of *Babesia microti* is comparable to the transmission risk of HIV, HBV, and HCV prior to the implementation of routine blood screening programs for these pathogens. Screening of blood products for *Babesia microti*, therefore, has become a priority for the FDA.

To address the need for effective blood screening assays, we have three assays that have demonstrated ability to detect *Babesia microti* in donated blood. Our antibody and PCR tests are the subject of two pending BLA applications and are offered from our Massachusetts laboratory. These tests were the subject of an extensive clinical trial, completed under an FDA Investigational New Drug, or IND, application and in cooperation with the American Red Cross, which screened approximately 90,000 blood samples to evaluate the effectiveness of our testing regime in detecting *Babesia microti* infected donors. No reported cases of transfusion-transmitted babesiosis were associated with the 75,331 screened donations from high risk states as compared to 14 cases per 253,031 unscreened donations. Based upon the study results, we believe our antibody and PCR tests are effective for screening blood for *Babesia microti*. The results of the clinical trial were published in the *New England Journal of Medicine* in December 2016.

We also have a second antibody test that may be used to screen for *Babesia microti* in blood donor samples. This test utilizes a standard ELISA platform and would be offered as a kit for laboratories seeking to screen units of blood for *Babesia microti* in-house. Our BLA application for this test remains pending with FDA. In mid-February, the Company received a complete response letter, or CRL, from FDA which raised a number of questions related to the Company's submissions in the fourth quarter of 2017 in support of licensure. Given FDA's previous verbal comments to the Company, the CRL was unexpected and will delay licensure and commercialization of the assay. As a result, the Company recorded an impairment charge of $7.2 million to write off the intangible assets related to the assay.

Transplantation

The most recent available information indicates that over 160,000 transplants are conducted in the world every year. Kidney and hematopoietic stem cell transplants comprise the majority of the market. The majority of transplants are performed in hospitals or clinics specializing in transplantation and thus represent a fairly concentrated sales call point.

Our T-SPOT.*CMV* test currently targets the transplant market. Technical development of this test has been completed and clinical validation activities are currently underway.

Our T-SPOT.*CMV* test measures the strength of a patient's T cell response to CMV infection. Once infected with CMV, the virus remains in the body for life and is an opportunistic pathogen. It is present in up to 90% of the human adult population, most of whom successfully control its progression through their T cell response. For those with weakened immune systems such as transplant recipients, however, CMV presents a significant source of morbidity. Our T-SPOT.*CMV* test provides information that may be useful in informing management strategies of patients at risk of CMV infection and disease, such as transplant patients. Our T-SPOT.CMV test is CE marked in the European Union. In the U.S., our CLIA-certified and CAP-accredited laboratory in Tennessee performs this test. We continue to take a measured approach to market introduction of this test as we await final results of our two pivotal clinical studies involving this test.

Regulatory approvals and clinical validation

Tuberculosis

Our T-SPOT.*TB* test is approved for commercial sale in over 50 countries. Key geographies where we have regulatory approval include:

- *The United States*. We obtained PMA for our T-SPOT.*TB* test from the FDA in 2008. Since 2008, an additional ten PMA supplements have been approved, including supplements relating to manufacturing improvements and label extensions, such as those that enable overnight shipment of blood samples.

- *Europe*. We obtained a CE mark in 2004, which allows us to sell our T-SPOT.*TB* test in Europe as well as other countries that accept the CE mark.

- *China*. We obtained initial approval for our T-SPOT.*TB* test from the China Food and Drug Administration, or the CFDA, in 2010. Consistent with CFDA re-registration requirements, we secured re-registration of our test in 2014, which will remain effective until 2019.

- *Japan*. We obtained approval for our T-SPOT.*TB* test from the Ministry of Health, Labour and Welfare, or MHLW, in 2012.

In addition to being validated in multiple clinical studies, our T-SPOT.*TB* test has also been the subject of nearly 500 peer-reviewed publications in scientific journals including several meta-analyses.

Tick-borne diseases and transplantation

Our C6 Lyme ELISA kit is FDA cleared and CE marked in the European Union. The test has been the subject of over 20 peer-reviewed publications.

Our service-based tests for tick-borne diseases are offered as laboratory developed tests from our CLIA certified, CAP accredited laboratory in Massachusetts. Our tests have been the subject of more than 20 peer-reviewed publications.

Competitive landscape

Tuberculosis

Our T-SPOT.*TB* test competes primarily with the TST. We believe our T-SPOT.*TB* test has a number of compelling advantages that make it a superior alternative to the more than 100-year-old TST, including superior sensitivity and specificity, simplicity of administration and elimination of variability due to subjective interpretation of results. Although the TST is often considered to be inexpensive, as the PPD reagent and other materials used in the test typically cost less than $5 per test, the materials cost is only one element of the total cost involved when conducting a TB screening program or TB control strategy. Substantial costs beyond the materials cost of the TST test include additional costs associated with: (i) false-negatives and false-positives, which risk non-detection and require additional confirmatory tests; (ii) individuals who fail to return within the prescribed period and, therefore, require re-testing; and (iii) implementing and maintaining training programs for healthcare workers who administer and read TST tests.

Several studies have been published investigating the costs or cost-effectiveness of a TB screening program in the healthcare worker setting using the TST and in comparison to our T-SPOT.*TB* test. We believe these studies are informative in demonstrating how expensive the TST actually is to implement and how using our T-SPOT.*TB* test in preference to the TST can be a more cost-effective solution when implementing TB screening programs.

Other than the TST, our principal competitor is the QuantiFERON®[3]-TB Gold Plus test, or QFN Plus, which was approved for sale in the U.S. in 2017 and has been available in Europe since 2016. Early publications suggest similar performance characteristics between QFN Plus and its predecessor. QFN Plus, however, requires use of a fourth specialized antigen-coated blood collection tube, either at the time of blood draw or later, which may increase phlebotomy complexity and time requirements. The additional blood collection tube also increases lab processing expense as it requires an additional well per test.

We have been competing with QFN Plus, or prior versions of this test, since the launch of our T-SPOT.*TB* test in 2004. Based on our experience, we believe that we have several performance advantages over QFN Plus, including:

- In our pivotal clinical studies conducted in support of our PMA, T-SPOT.*TB* test results were not impacted by immunocompromised status or immunosuppression. The U.S. package insert for the QFN Plus test notes that the test has not been extensively evaluated in individuals with impaired or altered immune function and that the minimum number of lymphocytes required for a reliable test result has not been established and may also be variable. We believe this is an important differentiating factor in patient populations with weakened immune systems, such as those on biologic therapies, corticosteroid or other immunosuppressive treatments, those with HIV and those undergoing dialysis or organ transplantation.

- In the FDA pivotal studies in the United States, our T-SPOT.*TB* test was shown to have sensitivity advantages over the QFN Plus test.

In addition to the performance advantages we believe we have over QFN Plus, we have developed and implemented the ability to offer our test as a service in the United States and the United Kingdom. The significant advantages of offering our test as a service include marketing opportunities created through the development of direct customer relationships, more convenient and extensive (7 days a week) access to testing via our logistics infrastructure, faster and more efficient customer on-boarding as a result of the simplicity of our pre-paid shipper boxes, and greater utility for our customers due to additional services we can provide beyond a test result.

As a result of clinical and service advantages, we have been able to negotiate a higher average selling price for our service. We believe this advantage provides us a larger addressable market than is available through selling kits as done by QFN Plus; simply put, our revenue potential from the same testing volume is higher. This advantage has been further strengthened as a result of the recent adjustments to the Clinical Lab Fee Schedule based upon the provisions of the Protect Access to Medicare Act, or PAMA. In 2017, The Centers for Medicare & Medicaid Services, or CMS, reimbursement for our test under CPT code 86481 was approximately $103 per test; CMS reimbursement for QFN Plus under CPT code 86480 was approximately $85 per test. Under PAMA, reimbursement for our T-SPOT.*TB* test for the years 2018-2020 will remain largely unchanged from 2017 rates. In contrast, the reimbursement for QFN Plus will decrease by 27% by 2020. We believe that the increased difference in reimbursement under PAMA provides us with pricing and access advantages in certain segments of the U.S. market.

Tick-borne diseases

Historically, the tick-borne disease testing market has been served by undifferentiated assays focused mainly on Lyme disease. The U.S. CDC guidelines, which are now over 20 years old and were formulated when the incidence Lyme and other tick-borne diseases was far lower, recommend the use of a 2-tier methodology for Lyme disease testing consisting of an initial screening by EIA or IFA followed by a confirmatory western blot for equivocal or positive EIA or IFA results. This methodology has three limitations: 1) it relies solely on indirect serological detection of infection; 2) serology testing can be insensitive within the first few weeks following infection; and 3) it does not address testing for co-infection with other organisms that cause tick-borne diseases.

The competitive landscape for diagnostics directed to tick-borne diseases is largely fragmented in the U.S. with national laboratories, regional laboratories and specialty laboratories offering various tests utilizing a range of established technologies and laboratory techniques. Large community and academic hospitals may offer tick-borne disease testing ‘in-house’ i.e., within their laboratories, but it is typically limited to Lyme disease testing, as no FDA-approved test kits exist for ehrlichiosis, anaplasmosis, babesiosis and several other tick-borne diseases other than Lyme. National laboratories, including Quest Diagnostics Inc. and Laboratory Corporation of America Holdings, have broad geographic reach in the U.S. and offer a range of antibody screening and PCR tests targeting Lyme and other tick-borne diseases. Regional laboratories focus on particular geographic areas within the U.S. and differ in the variety of tick-borne disease tests offered while specialty laboratories tend to have more limited test menus, especially for tick-borne diseases other than Lyme disease.

[3] QuantiFERON® is a registered trademark of Qiagen N.V.

We believe that our growing portfolio of tick-borne disease tests offers a significant competitive advantage relative to the existing products on the market. Through the combination of PCR and antibody tests offered through our Massachusetts laboratory, we are able to detect the organism that causes the tick-borne disease as well as the antibody response to the organism. Our service approach accommodates a wider diagnostic window and aims to provide additional information to clinicians about the stage of infection than the traditional test for Lyme disease. Based upon our tick-borne disease database, we are able to offer a comparative analysis of past and current samples to better inform the interpretation of the results. Our database also enables us to offer customers tests tailored to the tick-borne diseases present in their local geographies. Our test result turnaround time of 24-48 hours from time of sample receipt also provides us with a competitive advantage.

Our pipeline

As noted above, our late-stage pipeline consists of three assays for use in screening the U.S. blood supply for *Babesia microti* and our T-SPOT.*CMV* test. In addition, we have active development programs to enhance our TB and tick-borne disease product offerings. With regard to TB, we are developing multiple product enhancements that aim to improve the clinical utility of our test and improve test workflow and automation. These enhancements will also serve to increase the barriers to entry in both the U.S. and outside the U.S.

In tick-borne disease, we continue to develop enhancements to improve the accuracy of Lyme disease diagnosis and recently commenced a prospective clinical study earlier this year. This study, named the Lyme Test Indication Combinations or LyTIC Study, aims to establish the performance of individual tests, including our Spirofind assay, and combinations of tests in diagnosis of early Lyme infection. Our SpiroFind assay targets Lyme disease and may provide both an earlier diagnosis and the ability to differentiate re-infections from prior exposure. This assay would complement our existing assays offering comprehensive testing for tick-borne infections.

We also have additional assays in technical development which target other tick-borne infectious diseases endemic to the U.S.

Our total research and development expenses were $16.7 million, $13.9 million, and $10.4 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Intellectual property

We seek to secure and maintain protection of the proprietary aspects of our technology platform and of our existing and planned products. We rely on a combination of patents, trademarks, trade secret and other intellectual property laws, and confidentiality, license and invention assignment agreements and other contracts to protect our intellectual property rights. In addition, we have developed substantial knowledge in the field of immunology diagnostics including proprietary methods that we believe provide us with a significant advantage relative to potential competitors.

The intellectual property relating to our T-SPOT.*TB* test that we own or license includes 12 issued U.S. patents, 13 issued patents in other jurisdictions, one pending U.S. patent application and two pending patent applications in other jurisdictions, as well as registered trademarks, proprietary manufacturing processes and protocols, and proprietary methods directed towards achieving rapid throughput in assay performance.

Our owned and licensed patents

Many of the patent rights we own or in-license have claims directed to the use of ESAT-6 and/or CFP10 to detect *Mycobacterium tuberculosis*. We believe that these are the most important TB-specific antigens and we include peptides from both of these in our T-SPOT.*TB* test. We also believe that using an ELISPOT technique for an IGRA enhances its accuracy and suitability for use in testing individuals with compromised immune systems. Our T-SPOT.*TB* test employs this technique.

Our technology patents contain claims to methods of measuring marker-specific effector T cell responses at a single-cell level to certain peptides of ESAT-6 to diagnose TB infection. In December 2017, as part of the settlement of our patent infringement action, we received a one-time, lump sum payment of $27.5 million from Qiagen Inc., or Qiagen. The settlement agreement included a non-exclusive, royalty-free license to certain of our patents for use in Qiagen's QFN products. See "Legal Proceedings" for more information. These patents expire in 2019.

The inventions claimed in our patents relating to removal of granulocytes from stored blood samples may also have applications in relation to other diseases, conditions or situations where blood samples cannot be tested soon after the blood draw. This proprietary method is a core part of the T-SPOT technology as it improves the stability of stored blood enabling the overnight shipment of blood samples. The patents covering these inventions expire in 2027 (outside of the U.S.) and 2028 (U.S.).

We have also licensed two patents on a non-exclusive basis that relate to our T-SPOT.*CMV* test and four patents that relate to our C6 Lyme ELISA kit. In connection with our acquisitions of Boulder Diagnostics, Inc., or Boulder, and Immunetics, Inc., or Immunetics, we gained access to additional patents that we believe may assist us to develop future diagnostic tests in the infectious disease or transplant fields. We have licensed certain patents related to the detection of antibody-secreting B cells specific for HLA and to the PCR and IFA tests performed at our Massachusetts laboratory. We also have two patents under license and acquired a patent family application, pending in four territories, relating to additional TB antigens. The expected expiration dates of the licensed patents range from March 2018 to May 2032. We can give no assurance that any of our current or future research and development programs will result in the development and validation of any diagnostic test that leverages any of these patents or patent applications or otherwise.

Our license and assignment agreements

We currently rely upon several license agreements to obtain rights under certain patents that we believe may be necessary to make, use and sell our products. We may in the future rely, at least in part, upon licensing agreements with third parties to obtain patent rights and transfers of technology, information and know-how to enable us to take advantage of research work already completed, including potentially the identification of antigens useful for measuring disease conditions. We believe such licensing arrangements have enabled us, and may in the future enable us, to reduce the amount of time we need to develop and validate new diagnostic tests.

We have royalty obligations under some of our current license agreements that are measured in part based upon our sales levels. Where our royalty obligations are calculated on our net sales, the definition of net sales varies by agreement and typically results in a lower effective royalty rate on our service revenue than on sales of our kits. Currently, our aggregate royalty burden for our T-SPOT.*TB* test under all license and assignment agreements, as a percentage of gross product and service revenue, is in the low single digits. Our royalty burden for our T-SPOT.*CMV* test under all license agreements, as a percentage of gross product and service revenue, is also in the low single digits. Under our license agreements, we may be responsible for paying, or contributing to, patent prosecution and maintenance costs or subject to diligence obligations. We believe we are in compliance with all obligations of our license agreements.

Tuberculosis related patents

In 2013, we entered into an assignment agreement with Isis Innovation Limited, now known as Oxford University Innovation Ltd., or Oxford Innovation, pursuant to which various patents we previously licensed from Oxford Innovation were assigned to us. We have ongoing obligations under the assignment agreement to make payments to Oxford Innovation until the patents expire and to continue to extend license rights to Oxford University, its employees, students, agents and appointees to use the technology for academic and research purposes. Our rights under the patents are subject to various grants of license rights, including (i) a license back to Oxford Innovation to maintain a pre-existing license for research use only, (ii) a pre-existing grant to a third party of non-exclusive rights under the patents covering a field of two infectious diseases, and (iii) a pre-existing grant to a third party of non-exclusive rights under the patents limited to the licensee's internal use to monitor vaccine response.

The amount we pay to Oxford Innovation for our royalty obligation is equal to a royalty rate in the low single digits. Our aggregate royalty obligation payments to Oxford Innovation through December 31, 2017 have been $3.2 million. Our royalty obligations to Oxford Innovation will cease when there are no valid patent claims still in force.

Finally, our license agreement with Rutgers, The State University of New Jersey, or Rutgers, grants us an exclusive license to certain patents to manufacture and commercialize kits for *in vitro* diagnostic assays relating to TB other than in the ELISA format. The license was made in 2006 and has been amended in 2009, 2011, 2012, 2013, 2016 and 2017. Our license is royalty-bearing, worldwide, with the right to sublicense. We have not granted any sublicenses under this license. Rutgers has reserved the right to grant one additional license to this technology, limited to an ELISA format. To date, we do not believe Rutgers has entered into any such license.

We must make semi-annual royalty payments to Rutgers. Although the agreement contains minimum royalty obligations, the amount of royalties due based on our actual sales utilizing the licensed patents has exceeded the minimum for a number of years and we expect our royalties on actual sales will continue to exceed the minimum for the duration of our royalty obligations. We pay a royalty rate in the low single digits. Our aggregate payments to Rutgers through December 31, 2017 for signing fees, annual fees, milestones and royalties, including minimum royalties, have been $5.9 million. Our royalty obligations to Rutgers will cease when there are no valid patent claims still in force covering licensed products or assays. Previously, we made a number of other payments to Rutgers for license issue fees, annual license fees and milestone payments. No such future payments are required under the license.

Tick-borne disease related patents

We license patents relating to our tick-borne disease products from Roche Molecular Systems, Inc., or Roche, Life Technologies Corporation, or Life Technologies, and Tulane University, or Tulane. The licenses from Roche and Life Technologies pertain to patents covering aspects of the PCR and IFA test methods, respectively, used at our Massachusetts laboratory. Both are fully paid up licenses with no ongoing royalty obligations. The patents that are the subject of the licenses expire in 2018.

Our C6 Lyme ELISA kit incorporates the VIsE protein and C6 peptide, the most immunodominant portion of the VIsE protein. The protein is the subject of a patent held by Tulane. The license from Tulane grants us the exclusive right to use the C6 peptide in a diagnostic test for Lyme disease in humans. The license from Tulane has a royalty rate in the single digits and expires in 2019.

Trademarks and other protection

The trademarks we employ in our business include T-SPOT, T-Cell *Xtend*, Oxford Diagnostic Laboratories, ODL, the Oxford Immunotec logo, our laboratory logo, the Imugen logo and the word Immunetics. We have obtained registrations in the United States for T-SPOT, T-Cell *Xtend*, Oxford Diagnostic Laboratories, the Oxford Immunotec logo and the Imugen logo and the word Immunetics. We have also obtained or are seeking registrations for certain of these trademarks in other jurisdictions, including the United Kingdom, the European Community, Japan and China. We have also secured numerous internet domain name registrations.

We have a policy of requiring all our employees to sign agreements that obligate them to maintain in confidence all confidential information they receive during the course of their employment, except in certain circumstances. Substantially all of our employees are also bound by invention assignment obligations, which provide that rights to all inventions and other types of intellectual property, whether or not patentable, conceived by them during the course of employment are assigned to us. We seek to enter into similar confidentiality and invention assignment agreements with our consultants.

Our Trade Secrets

There are several areas in which we have developed trade secrets relating to manufacturing that we believe provide a competitive advantage not only with respect to our T-SPOT.*TB* test, but also for the other tests we perform at our laboratories. It is essential to the performance of ELISPOT tests used to detect the release of interferon-gamma from stimulated T cells that the microtiter plates used in the test be smoothly coated with the proper amount of interferon-gamma antibodies. For volume manufacturing, these coated plates must also meet stringent shelf life requirements. Our plate-coating process meets these criteria and cost-effectively provides reliable results. We believe this approach results in significant cost savings for us without sacrificing our compliance with either good manufacturing practices or our own high standards.

As part of our test offerings, we use unique formulations of peptides and other reagents that we believe are important to the accuracy of our tests. Further, we have devoted substantial time and resources to the development of processes and techniques that have resulted in cost reductions in our test manufacture and in assay performance in our service laboratories. In our ODL facilities, we have streamlined the workflow process in our laboratories to allow for rapid throughput, which reduces labor costs and reduces the time we take to provide test results to our customers. In addition, we have developed and validated automated solutions for the assay process, including proprietary protocols for maximizing efficiencies garnered from the automation equipment. These methods are useful in our current test offerings, and will be applicable to future tests we may develop using our T-SPOT technology and other platforms. We believe the manufacturing process and assay performance efficiencies we have developed and employ could not easily or quickly be developed by others.

Manufacturing and laboratory facilities

Our tests are generally manufactured by us from materials we obtain from a limited number of suppliers. We manufacture our T-SPOT.*TB* test at our U.K. corporate headquarters in Abingdon, England, where we currently lease approximately 2,800 square feet of manufacturing space. The lease covering this space expires in 2020 and our current rent for the manufacturing space is $102,000 annually, which is subject to change. Our manufacturing facility is certified to ISO 13485 and ISO 9001. Our space in Abingdon also includes 6,400 square feet of storage/warehouse space. The leases covering this space expire in 2025 and our current rent for the storage/warehouse space is $75,000 annually, which is subject to change.

We also operate a laboratory in Abingdon, England, where we currently lease approximately 2,100 square feet of space divided equally between our diagnostic testing laboratory and our research and development and quality control laboratory. The leases for these facilities expire in 2019 and 2020, respectively. Our current rent for the total U.K. laboratory space is $83,000 annually, which is subject to change.

In 2017, we executed an agreement for lease for new space in Abingdon, England that will allow us to combine our manufacturing, laboratory, storage and office operations into a single facility. We expect to take occupancy of the new space in the second half of 2018.

We operate two diagnostic testing laboratories in the United States where we process samples sent to us by our customers who choose the service format of our product offering. Our U.S. laboratory facility, located in Memphis, Tennessee performs our T-SPOT.*TB* test and performs our T-SPOT.*CMV* test. Our current lease for the Tennessee laboratory facility covers approximately 35,000 square feet of space and expires in 2021. Our current rent under this lease is $150,000 annually and is subject to annual increases.

Our second U.S. laboratory is located in Norwood, Massachusetts and performs both our T-SPOT.*TB* and tick-borne disease testing. Our current lease for the Norwood laboratory facility covers approximately 58,000 square feet of space divided between two buildings. During 2018, we expect to consolidate our current facilities into a single building and reduce our space under lease to approximately 40,000 square feet. Our current lease expires in March 2023 and rent for our Norwood operations is approximately $975,000 and is subject to annual increases. We also currently lease approximately 14,000 square feet in Boston, Massachusetts, which includes a clinical and research laboratory directed to the development and testing of the products acquired from Immunetics. The lease for the Boston facility expires in July 2018 at which time the operations will be consolidated into the Norwood, Massachusetts facility. Current rent under this lease is $263,000 annually.

Key supplier relationships

We use a broad range of materials in the manufacture and performance of our diagnostic tests. We purchase all raw materials used in our tests from external suppliers. We purchase some materials from single sources for reasons of quality assurance, sole source availability, cost effectiveness or constraints resulting from regulatory requirements. We work closely with our suppliers to assure continuity of supply while maintaining high quality and reliability. To date, we have not experienced any significant difficulty in locating and obtaining the materials necessary to fulfill our production schedules. Because we believe that the only material supply relationships we have are those that pertain to our T-SPOT.*TB* test, we summarize these relationships below.

Mabtech AB. We entered into a purchase agreement with Mabtech AB, or Mabtech, in 2010, which was amended in 2013 and again in 2017. Pursuant to this agreement, Mabtech supplies the antibodies used to coat the membrane plates and for the detection procedure in our tests. We provide rolling forecasts of our anticipated purchases and portions of those forecasts become binding orders. We receive pricing discounts based on the volume of our purchases. We have agreed to purchase these antibodies exclusively from Mabtech, although our exclusivity obligations may cease in the event Mabtech raises prices by more than a certain percentage over a defined period of time and declines to match a competitive third-party quotation for the antibodies.

The purchase agreement expires, unless earlier terminated, on December 31, 2023. Either party may terminate by providing written notice to the other in the event of a material uncured breach by the other party, a liquidation, insolvency, or bankruptcy proceeding involving the other party or cessation in trading by the other party.

EMD Millipore Corporation. We entered into a supply agreement with EMD Millipore Corporation, or Millipore, in 2009, which was amended in 2013 and 2014. Pursuant to this agreement, Millipore supplies us with the membrane plates used in tests incorporating our T-SPOT technology. We provide rolling forecasts of our anticipated purchases and portions of those forecasts become binding orders. We receive pricing discounts based on the size of our orders. The agreement expires, unless earlier terminated, on December 31, 2018. Each party has the right to terminate in the event of a material uncured default by the other party.

MicroCoat Biotechnologie GmbH. Pursuant to our 2010 supply agreement with MicroCoat Biotechnologie GmbH, or MicroCoat, which was amended in 2016, MicroCoat performs antibody coating on membrane plates using plates and antibodies we supply. Under the supply agreement, we provide rolling forecasts of our anticipated purchases and portions of those forecasts become binding orders. We receive pricing discounts based on the size of our orders. These antibody-coated plates are a component of tests using our T-SPOT technology.

The current term of the agreement expires, unless earlier terminated, on December 31, 2018, subject to automatic renewals for additional one-year periods in the absence of specified notice by either party. Each party has the right to terminate in the event of a material uncured breach by the other party, or in the event of a bankruptcy or insolvency proceeding involving the other party.

StemCell Technologies, Inc. We entered into a supply agreement with StemCell Technologies, Inc., or StemCell, in 2008, which was amended in 2011 and again in 2017. Pursuant to this agreement, StemCell supplies us with a product that can be used with tests using our T-SPOT technology.

We have the exclusive right to market this product for use in association with ELISPOT tests to detect and/or quantify T-cells for use in the *in vitro* diagnosis, prognosis and/or clinical monitoring of infectious diseases, including tuberculosis, and non-infectious diseases and medical conditions, except our rights in China and India are non-exclusive. StemCell retains the right to sell this product for use in other applications and in our non-exclusive territories. We are obligated to use commercially reasonable efforts to promote sales of the product for the applications to which we have exclusive rights.

We paid a signing fee in the amount of $0.1 million and milestone payments in the aggregate amount of $0.2 million. We are not obligated to make additional milestone payments. We are obligated to pay an annual exclusivity fee during the term of the agreement, creditable against certain future purchases. Our product purchases exceeded the amount of the exclusivity fee in 2017. We receive pricing discounts based on our quarterly orders. We have also agreed to make StemCell our supplier of choice for certain types of products, subject to performance obligations of StemCell, and we are generally obligated to acquire all of our requirements for such products from StemCell.

The agreement expires, unless earlier terminated, on December 31, 2023, but will continue indefinitely thereafter in the absence of specified notice by either party. Each party may terminate for material uncured breach, the insolvency or bankruptcy of the other party or the cessation of trading by or dissolution of the other party.

Life Technologies Corporation. We entered into a supply and reseller agreement with Life Technologies Corporation, or Life Tech, in 2013, amended in 2014, 2016 and 2017, pursuant to which we purchase and resell a product that can be used in performing assays using our T-SPOT technology. We have minimum annual purchase obligations under this agreement, as well as obligations to purchase certain amounts based on our forecasts. The agreement expires, unless earlier terminated, on December 31, 2018. Either party may terminate for a material uncured breach, the insolvency or bankruptcy of the other party, if one of our twelve-month forecasts does not reflect any anticipated purchases of product or if we purchase no product during a consecutive twelve-month period.

Key customer relationships

Given the diversity of our product and service offerings, our customers include large hospital systems, public and private institutions such as universities, public health departments and physician groups. Our customer relationships also include our distributors outside of the U.S. We believe our relationships with two of the distributors of our T-SPOT.*TB* test are key customer relationships.

Shanghai Fosun Long March Medical Science Co. Ltd. We have a distribution agreement with Shanghai Fosun Long March Medical Science Co. Ltd., or Fosun, pursuant to which Fosun distributes our TB-related products in China. Under the distribution agreement, Fosun serves as our exclusive distributor in a territory consisting of the People's Republic of China, including Macau Special Administrative Regions, and also serves as our non-exclusive distributor in Hong Kong. Fosun commits to using its best efforts to promote, sell and distribute our products in the territory in compliance with our policies and procedures and applicable law. The agreement imposes certain annual minimum purchase obligations at agreed upon pricing and covers our products, as well as other accessories which may be used in conjunction with our products. Fosun is obligated to refrain from dealing in any products in the territory which would be competitive with ours through a period extending 12 months after the termination of the agreement.

The agreement expires on January 1, 2021. Either party may terminate the agreement for a material uncured breach or in the event of bankruptcy or an equivalent winding up of the other party's business. We may terminate the agreement if Fosun does not meet the minimum purchase requirements, for late payment or if Fosun undergoes a change in control. In December 2017, we amended the distribution agreement to provide a certain rebate in Fosun's discount programs in 2017, subject to Fosun's achievement of minimum purchase quantities.

Riken Genesis Co., Ltd. We sell our T-SPOT.*TB* test to a Japanese importer, Riken Genesis Co., Ltd., or Riken, which also serves as our marketing authorization holder in Japan, a position required by Japanese regulatory authorities. We entered into a marketing authorization holder agreement with Riken in 2011 and it was amended in 2013, 2016 and 2017. Pursuant to this agreement, Riken provides services for importation into Japan. We initially paid an initiation fee to Riken in the amount of ¥200,000, or approximately $1,600. We currently pay Riken a flat monthly fee in the amount of ¥150,000, or approximately $1,300, and also pay a single-digit percentage commission based on the prices at which end users purchase our products. The initial agreement with Riken had a one-year term and automatically renews for additional one-year periods in the absence of specified notice by either party. Either party may terminate for a material uncured breach or in the event of bankruptcy, insolvency or similar proceedings of the other party.

Government regulation

Federal Food, Drug, and Cosmetic Act

In the United States, *in vitro* diagnostics, or IVDs, are regulated by the FDA as either medical devices or biological products under the Federal Food, Drug, and Cosmetic Act, or FDCA, depending on their intended use. IVDs that are used as diagnostics are regulated as medical devices. IVDs that are used to screen donor blood are regulated as biological products, which have two different regulatory pathways.

Marketing pathways

There are two regulatory pathways to receive authorization to market IVDs intended for diagnostic purposes: a premarket application, or PMA, and a 510(k) premarket notification. The regulatory pathway to receive authorization to market an IVD intended for blood screening is by a Biologics License Application, or BLA. The FDCA establishes a risk-based standard for determination of the pathway for which a particular IVD device is eligible.

The information that must be submitted to the FDA to obtain clearance or approval to market a new medical device varies depending on how the medical device is classified by the FDA. Medical devices are classified into one of three classes on the basis of the controls necessary to reasonably ensure their safety and effectiveness. Class I devices are subject to general controls, including labeling and adherence to the FDA's quality system regulation, which establishes device-specific good manufacturing practices. Class II devices are subject to general controls and special controls, including performance standards and post-market surveillance. Class III devices are subject to these requirements as well as to premarket approval. Most Class I devices are exempt from premarket submissions to the FDA; most Class II devices require the submission of a 510(k) premarket notification to the FDA; and Class III devices require submission of a PMA application. Our T-SPOT.*TB* test is a Class III device and our C6 Lyme ELISA kit is a Class II device. We have other Class II devices that have received 510(k) clearance from FDA that we acquired through our acquisition of Immunetics.

Premarket approval. The PMA process, by which we received marketing authorization for our T-SPOT.*TB* test in 2008, is complex, costly and time consuming. A PMA application must be supported by detailed and comprehensive scientific evidence, including clinical data, to demonstrate the safety and efficacy of the medical device for its intended purpose. If the device is determined to present a "significant risk," the sponsor may not begin a clinical trial until it submits an investigational device exemption, or IDE, to the FDA and obtains approval from the FDA to begin the trial. After the PMA application is submitted, the FDA has 45 days to make a threshold determination that the application is sufficiently complete to permit a substantive review. If the application is complete, the FDA will accept it for filing. The FDA is subject to a non-binding performance goal review time for a PMA application of 180 days from the date of filing, although in practice this review time is often longer. Questions from the FDA, requests for additional data and referrals to advisory committees may delay the process considerably. Indeed, the total process may take several years and there is no guarantee that the PMA application will ever be approved. Even if approved, the FDA may limit the indications for which the device may be marketed. The FDA may also request additional clinical data as a condition of approval or after the PMA is issued. Any changes to the medical device may require a supplemental PMA application to be submitted and approved. Since we received initial PMA application approval of our T-SPOT.*TB* test in 2008, the FDA has granted approval for ten supplemental PMA applications for our T-SPOT.*TB* test, including supplements relating to the use of our T-Cell *Xtend* reagent with our T-SPOT.*TB* test.

510(k) Clearance. Our C6 Lyme ELISA kit has obtained 510(k) clearance from FDA. A traditional 510(k) submission requires demonstration of substantial equivalence to a previous legally marketed device that was not subject to PMA. If a substantial equivalence cannot be demonstrated and the test is of low to moderate risk, the FDA may allow a *de novo* 510(k) submission. Submission of either a traditional or *de novo* 510(k) notification is subject to a 90-day FDA review period. Questions from the FDA, requests for additional data and referrals to advisory committees may delay the process considerably and the FDA may ultimately limit the indications for which the device may be marketed. Marketing of an IVD medical device may begin as soon as FDA clearance is granted.

Biologics License Application. The BLA process is similar to a PMA in that it must be supported by detailed and comprehensive scientific evidence, including clinical data to demonstrate the safety and efficacy of the biological product for its intended use in donor blood screening. Blood screening assay development follows the same general pathway followed for drugs and vaccines. Before an application is submitted, an Investigational New Drug application (IND) must be submitted and completed. The IND describes the biological product, its method of manufacture, and quality control tests for release, as well the comprehensive clinical trial protocols. We currently have three BLAs under review by FDA.

FDA Guidance on Laboratory Developed Tests. The FDA has historically exercised enforcement discretion over the regulation of Laboratory Developed Tests, or LDTs. In October 2014, the FDA issued draft guidance for the oversight of LDTs that included notification and medical device reporting. Under the draft guidance, the FDA sought to classify LDTs as high, medium or low risk tests, which would then dictate the regulatory route to be followed for each test. In November 2016, the FDA announced that it would not finalize its guidance during 2016. It is uncertain whether the guidance in its current form will be finalized or if, and when, alternate guidance may be issued by the agency.

Post-marketing regulations and controls

Under the medical device and biological products regulations, the FDA regulates quality control and manufacturing procedures by requiring us to demonstrate and maintain compliance with the quality system regulation, which sets forth the FDA's current good manufacturing practices requirements for medical devices and biological products. The FDA monitors compliance with the quality system regulation and current good manufacturing practices requirements by conducting periodic inspections of manufacturing facilities. FDA inspections in the United States are typically unannounced. FDA inspections outside the United States are coordinated with the companies being inspected. Violations of applicable regulations noted by the FDA during inspections of our manufacturing facilities could adversely affect the continued marketing of our tests.

The FDA also enforces post-marketing controls that include the requirement to submit product reports to the agency when a manufacturer becomes aware of information suggesting that any of its marketed products may have caused or contributed to a death, serious injury or serious illness or any of its products has malfunctioned and that a recurrence of a malfunction would likely cause or contribute to a death or serious injury or illness. The FDA relies on product reports to identify product problems and utilizes these reports to determine, among other things, whether it should exercise its enforcement powers. The FDA also enforces the requirement that manufacturers submit reports of recalls and field actions to the FDA if the actions are initiated to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health. The FDA may also require post-market surveillance studies for specified devices.

FDA regulations also govern, among other things, the preclinical and clinical testing, manufacture, distribution, labeling and promotion of medical devices and biological products. In addition to compliance with good manufacturing practices and product reporting requirements, we are required to comply with the FDCA's general controls, including establishment registration, device listing and labeling requirements. If we fail to comply with any requirements under the FDCA, we could be subject to, among other things, fines, injunctions, civil penalties, recalls or product corrections, total or partial suspension of production, denial of premarket notification clearance or approval of products, rescission or withdrawal of clearances and approvals, and criminal prosecution. We cannot assure you that any final FDA policy, once issued, or future laws and regulations concerning the manufacture or marketing of medical devices will not increase the cost and time to market of new or existing tests. If we fail to comply with these FDA regulations or guidelines, we may be subject to warnings from, or enforcement action by, the FDA.

International medical device regulations

International marketing of medical devices is subject to foreign government regulations, which vary substantially from country to country. The European Commission is the legislative body responsible for directives with which manufacturers selling medical products in the European Union and the European Economic Area, or EEA, must comply. The European Union includes most of the major countries in Europe, while other countries, such as Switzerland, are part of the EEA and have voluntarily adopted laws and regulations that mirror those of the European Union with respect to medical devices. The European Union has adopted directives that address regulation of the design, manufacture, labeling, clinical studies and post-market vigilance for medical devices, including IVDs. Devices that comply with the requirements of a relevant directive, including the IVD Directive (Directive 98/79 EC), will be entitled to bear the CE conformity marking, indicating that the device conforms to the essential requirements of the applicable directives and, accordingly, can be marketed throughout the European Union and EEA.

Outside of the European Union, regulatory pathways for the marketing of medical devices vary greatly from country to country. In many countries, local regulatory agencies conduct an independent review of IVD medical devices prior to granting marketing approval. For example, in China, approval by the CFDA, must be obtained prior to marketing an IVD medical device. In Japan, approval by the MHLW following review by the Pharmaceuticals and Medical Devices Agency, or the PMDA is required prior to marketing an IVD. The process in such countries may be lengthy and require the expenditure of significant resources, including the conduct of clinical trials. In other countries, the regulatory pathway may be shorter and/or less costly. The timeline for the introduction of new IVD medical devices is heavily impacted by these various regulations on a country-by-country basis, which may become more lengthy and costly over time.

Our T-SPOT.*TB* test has been approved for sale in over 50 countries, including in Europe, China, and Japan. Our T-SPOT.*TB* test obtained a CE mark in 2004, CFDA approval in China in 2010 and re-registration in 2014, and MHLW approval in Japan in 2012. Our T-SPOT.*CMV* and T-SPOT.*PRT* tests obtained CE marks in 2015 and our C6 Lyme ELISA kit obtained a CE mark in 2011.

Laboratory certification, accreditation and licensing

As a company engaged in the diagnostic testing business, we are required to maintain certain federal and state licenses, certificates and permits.

United States. In the United States, CLIA imposes requirements relating to test processes, personnel qualifications, facilities and equipment, record keeping, quality assurance and participation in proficiency testing, which involves comparing the results of tests on specimens that have been specifically prepared for our laboratory to the known results of the specimens. The CLIA requirements also apply as a condition for participation by clinical laboratories under the Medicare program. Under the CLIA regulations, the complexity of the tests performed determines the level of regulatory control. United States Department of Health and Human Services, or HHS, classifies our T-SPOT tests and our tests directed to tick-borne diseases as high-complexity tests. As a result, we must employ more experienced and highly educated personnel, as well as additional categories of employees.

HHS, or an organization to which HHS delegates authority, verifies compliance with CLIA standards through periodic on-site inspections. Sanctions for failure to meet these certification, accreditation and licensure requirements include suspension or revocation of the certification, accreditation or license, as well as imposition of plans to correct deficiencies, injunctive actions and civil and criminal penalties. If HHS should remove or suspend our CLIA certificates, we would be forced to cease performing testing at our U.S. laboratories in Memphis, Tennessee or Norwood, Massachusetts.

Our U.S. laboratories are also accredited by CAP. The CAP Laboratory Accreditation Program is an internationally recognized program that utilizes teams of practicing laboratory professionals as inspectors, and accreditation by CAP can often be used to meet CLIA and state certification requirements. Additionally, a few states require out-of-state laboratories to obtain a license prior to performing testing on samples originating from such states and to take certain notice or approval steps in connection with the performance by such laboratories of additional tests. The failure to maintain such licenses or approvals would force us to cease performing the applicable tests on samples originating from such a state.

United Kingdom. Our laboratory located in the United Kingdom operates under accreditation by the United Kingdom Accreditation Service, or UKAS, for the International Standard: ISO 17025:2005 (General requirements for the competence of testing and calibration laboratories). Compliance with this standard is required to maintain accreditation and the continued use of the UKAS logo on our laboratory documentation. National Health Service (NHS)-based customers require that the testing services they procure operate to an accredited quality management system, which is evidenced by the UKAS accreditation. Therefore, a failure to maintain this accreditation could cause us to lose a substantial majority of our U.K. service business.

HIPAA and other privacy laws

U.S. Health Insurance Portability and Accountability Act, or HIPAA, established for the first time in the United States comprehensive protection for the privacy and security of health information. The HIPAA standards apply to three types of organizations, or Covered Entities: health plans, healthcare clearing houses, and healthcare providers that conduct certain healthcare transactions electronically. Covered Entities and their Business Associates, as defined in HIPAA, must have in place administrative, physical, and technical standards to guard against the misuse of individually identifiable health information. Because we are a healthcare provider and we conduct certain healthcare transactions electronically, we are currently a Covered Entity, and we must have in place the administrative, physical, and technical safeguards required by HIPAA, the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations. Additionally, some state laws impose privacy protections more stringent than HIPAA. We may conduct other activities that may implicate HIPAA, such as conducting clinical studies or entering into specific kinds of relationships with a Covered Entity or a Business Associate of a Covered Entity.

If we or our operations are found to be in violation of HIPAA, HITECH or their implementing regulations, we may be subject to penalties, including civil and criminal penalties, fines, and exclusion from participation in U.S. federal or state health care programs, and the curtailment or restructuring of our operations. HITECH increased the civil and criminal penalties that may be imposed against Covered Entities, their Business Associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions.

Our activities must also comply with international privacy laws that impose restrictions on the access, use, and disclosure of health information. For example, the European General Data Protection Regulation covers personal information of citizens of the European Union and imposes strict penalties for noncompliance. All of these laws may impact our business. Our failure to comply with these privacy laws or significant changes in the laws could significantly impact our business and our future plans.

U.S. federal and state billing and fraud and abuse laws

Although only about 15% of our U.S. clinical diagnostics business currently involves payment by third-party payors, including government payors, we are subject to numerous laws governing billing for health care services.

Antifraud laws / overpayments. As participants in federal and state healthcare programs, we are subject to numerous federal and state anti-fraud and abuse laws. Prohibitions under some of these laws include:

- the submission of false claims or false information to government programs;
- deceptive or fraudulent conduct;
- excessive or unnecessary services or services at excessive prices; and
- defrauding private sector health insurers.

We could be subject to substantial penalties for violations of these laws, including denial of payment, obligation to issue refunds, suspension of payments from Medicare, Medicaid or other federal healthcare programs and exclusion from participation in the federal healthcare programs, as well as civil and criminal penalties and imprisonment. One of these statutes, the False Claims Act, is a key enforcement tool used by the government to combat healthcare fraud.

Numerous federal and state agencies enforce anti-fraud and abuse laws. In addition, private insurers may bring private actions. In some circumstances, private whistleblowers are authorized to bring fraud suits on behalf of the government against providers and are entitled to receive a portion of any final recovery.

U.S. federal and state "anti-kickback" and "self-referral" restrictions

Anti-kickback statute. The federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal healthcare program, such as the Medicare and Medicaid programs. The term "remuneration" is not defined in the federal Anti-Kickback Statute and has been broadly interpreted to include anything of value, including for example, gifts, discounts, the furnishing of supplies or equipment, credit arrangements, payments of cash, waivers of payment, ownership interests and providing anything at less than its fair market value.

Many states have also adopted laws similar to the federal Anti-Kickback Statute, some of which apply to the referral of patients for healthcare items or services reimbursed by any source, not only the Medicare and Medicaid programs, and do not contain identical safe harbors.

If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in U.S. federal or state health care programs, and the curtailment or restructuring of our operations. We may also be subject to similar foreign laws and regulations.

Self-referral law. We are subject to a federal "self-referral" law, commonly referred to as the "Stark" law, which provides, unless a specific exception applies, that physicians who, personally or through a family member, have ownership interests in or compensation arrangements with a laboratory are prohibited from making a referral to that laboratory for laboratory tests reimbursable by Medicare, and also prohibits laboratories from submitting a claim for Medicare payments for laboratory tests referred by physicians who, personally or through a family member, have ownership interests in or compensation arrangements with the testing laboratory.

We are subject to comparable state laws, some of which apply to all payors regardless of source of payment, and do not contain identical exceptions to the Stark law. The self-referral laws may cause some physicians who would otherwise use our laboratory to use other laboratories for their testing. Providers are subject to sanctions for claims submitted for each service that is furnished based on a referral prohibited under the federal self-referral laws. These sanctions include denial of payment, obligation to issue refunds, civil monetary payments and exclusion from participation in federal healthcare programs and civil monetary penalties. They may also include penalties for applicable violations of the False Claims Act, which may require payment of up to three times the actual damages sustained by the government, plus civil penalties of up to about $11,000 to $22,000 for each separate false claim.

U.S. health care reform

In March 2010, the PPACA was enacted, which included measures that significantly changed the way healthcare is financed by both governmental and private insurers. Changes were made to the PPACA as part of the Tax Cuts and Jobs Act of 2017 to remove certain parts of the original legislation and the current Congress continues to make efforts to repeal and/or replace the PPACA. The Physician Payment Sunshine Act, enacted as part of PPACA, has not been repealed and requires medical device manufacturers to track certain financial arrangements with physicians and teaching hospitals, including any "transfer of value" made or distributed to such entities, as well as any investment interests held by physicians and their immediate family members. Manufacturers are required to report this information to CMS. Various states have also implemented regulations prohibiting certain financial interactions with healthcare professionals and/or mandating public disclosure of such financial interactions. We may incur significant costs to comply with such laws and regulations now or in the future.

Other laws

We are also subject to numerous U.S. federal, state and local laws as well as international laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and transportation and disposal of blood and hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

Employees

As of December 31, 2017, we had 457 employees. None of our employees is covered under a collective bargaining agreement. We have not experienced any work stoppages and we believe our employee relations are good.

Environmental matters

Our operations require the use of hazardous materials, which, among other matters, subjects us to a variety of federal, state, local and foreign environmental, health and safety laws, regulations and permitting requirements, including those relating to the handling, storage, transportation and disposal of biological and hazardous materials and wastes. The primary hazardous materials we handle or use include human blood samples and solvents. Some of the regulations under the current regulatory structure provide for strict liability, holding a party liable for contamination at currently and formerly owned, leased and operated sites and at third-party sites without regard to fault or negligence. We could be held liable for damages and fines as a result of our, or others', operations or activities should contamination of the environment or individual exposure to hazardous substances occur. We could also be subject to significant fines for failure to comply with applicable environmental, health and safety requirements. We cannot predict how changes in laws or development of new regulations will affect our business operations or the cost of compliance.

Available Information

Access to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed with or furnished to the SEC may be obtained through the investor section of our website at *www.oxfordimmunotec.com* as soon as reasonably practical after we electronically file or furnish these reports. We do not charge for access to and viewing of these reports. Information in the investor section and on our website is not part of this Annual Report on Form 10-K or any of our other securities filings unless specifically incorporated herein by reference. In addition, the public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, our filings with the SEC may be accessed through the SEC's website at *www.sec.gov*. All statements made in any of our securities filings, including all forward-looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

Corporate information

Oxford Immunotec Global PLC was incorporated in England and Wales in 2013. Our principal executive offices are located at 94C Innovation Drive, Milton Park, Abingdon, OX14 4RZ, United Kingdom, and our telephone number is +44 (0) 1235 442 780. Our internet website is www.oxfordimmunotec.com. The information on, or that can be accessed through, our website is not part of this Annual Report on Form 10-K.

Item 1A. Risk Factors

Risks related to our business.

We have a history of losses and anticipate that we may incur continued losses for at least the next few years. We cannot be certain that we will achieve or sustain profitability.

We have a history of losses and may continue to incur operating and net losses for the foreseeable future. For the fiscal years ended December 31, 2017, 2016 and 2015, we had net losses of $32.9 million, $22.3 million and $24.5 million, respectively, and we had an accumulated deficit at December 31, 2017 of $201.5 million. Substantially all of our operating losses in these periods resulted from costs incurred in connection with sales and marketing of our T-SPOT.*TB* test, general and administrative costs associated with our operations and our research and development programs. Even though we generate revenue from our T-SPOT.*TB* test, we anticipate that our operating losses will continue for the next few years as we continue to invest to grow our customer base and invest in research and development to expand our product portfolio. Because of the numerous risks and uncertainties associated with developing and commercializing diagnostic products, we are unable to predict the magnitude of these future losses. Our historic losses, combined with expected future losses, have had and will continue to have an adverse effect on our cash resources, shareholders' deficit and working capital. We expect our research and development expenses to be substantial for at least the next few years as we continue enhancing our T-SPOT.*TB* test and work to develop new products.

We have not achieved profitability on a consolidated basis and our ability to become profitable depends upon our ability to generate revenue. In 2004, we began to generate revenue from the sale and marketing of our T-SPOT.*TB* test, but we may not be able to generate sufficient revenue to attain profitability. Our ability to generate profits on sales of our T-SPOT.*TB* test is subject to market acceptance in market segments we currently serve, as well as in new market segments and new geographies, and our ability to obtain regulatory body clearance to market any of our products. In addition, we may be compelled to sell our T-SPOT.*TB* test at lower prices if, for example, our customers or prospective customers are unwilling to pay for our tests at current pricing levels or as a result of increased competition generally. Any price erosion would impede our ability to generate revenue. If we are unable to generate sufficient revenue, we will not become profitable and may be unable to continue operations without continued funding.

We may require substantial additional capital resources to fund our operations. We may not be able to obtain additional capital resources on favorable terms and if we cannot find additional capital resources, we may have difficulty operating our business. Raising additional capital may also cause dilution to our existing shareholders.

As of December 31, 2017, we had cash and cash equivalents of $90.3 million and working capital (total current assets less total current liabilities) of $98.0 million. While we anticipate that our current cash, cash equivalents and cash generated from operations will be sufficient to meet our projected operating plans for at least the next 12 months, we may require additional funds, either through additional equity or debt financings, strategic collaboration agreements, sale of assets or from other sources. Additional financing opportunities may not be available to us, or if available, may not be on favorable terms. Further, to the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our shareholders. Our future capital requirements will depend on many factors, including revenue generated from the sale of our T-SPOT.*TB* test, margins, operating expenses and our ability to control costs associated with our operations, and the costs of filing, prosecuting, maintaining, defending and enforcing any patent claims and other intellectual property rights. The availability of additional capital will also depend on many factors, including the market price of our ordinary shares and the availability and cost of additional equity capital from existing and potential new investors, our ability to retain the listing of our ordinary shares on The NASDAQ Global Market and general economic and industry conditions affecting the availability and cost of capital.

Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration, strategic alliance and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates beyond the rights we have already relinquished, or grant licenses on terms that are not favorable to us.

If we do not achieve, sustain or successfully manage our anticipated growth, our business and financial results may be adversely affected.

We have experienced significant revenue growth in a relatively short period of time. We may not achieve similar growth rates in future periods. Investors should not rely on our operating results for any prior periods as an indication of our future operating performance. If we are unable to maintain adequate revenue growth, our financial results could suffer and our share price could decline.

Further development and commercialization of our T-SPOT.*TB* test and other diagnostic product candidates will require us to expand our sales, marketing and distribution networks. Such growth may place significant strains on our management and our internal systems and processes, as well as potentially those of our suppliers, and if we cannot effectively manage expanding operations and costs, we may not be able to continue to grow or we may grow at a slower pace and our business and financial results could be adversely affected.

Our cash flows and capital resources may be insufficient to make required payments on our indebtedness and future indebtedness.

On October 4, 2016, we entered into an agreement with MidCap Financial Trust, or the MidCap agreement, that provided us with $40 million in debt financing, comprised of both a term loan and a revolving line of credit. The MidCap agreement provided a term loan of $30 million, which matures five years from closing. The term loan accrues interest at a rate of LIBOR plus 7.60% with interest only payments for the first 24 months, with the ability to extend to 48 months subject to certain conditions, before the loan begins to amortize. The MidCap agreement also provides a revolving line of credit of up to $10 million, which matures five years from closing. The revolving line of credit accrues interest at a rate of LIBOR plus 4.45%. Based on certain conditions, both the term loan and revolving line of credit could be increased by an additional $10 million for a total of $60 million. To date, we have not borrowed under the revolving line of credit.

As of December 31, 2017, we had $30 million of indebtedness under the MidCap agreement. Such indebtedness could have important consequences to us. For example, it could:

- make it difficult for us to satisfy our other debt obligations;
- make us more vulnerable to general adverse economic and industry conditions;
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other general corporate requirements;
- limit our ability to make large investments or acquisitions;
- expose us to interest rate fluctuations because the interest rate on the debt under the MidCap agreement is variable;
- require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- place us at a competitive disadvantage compared to competitors that may have proportionately less debt and greater financial resources.

In addition, our ability to make scheduled payments or refinance our obligations depends on our successful financial and operating performance, cash flows and capital resources, which in turn depend upon prevailing economic conditions and certain financial, business and other factors, many of which are beyond our control. These factors include, among others:

- economic and demand factors affecting our industry;
- pricing pressures;
- increased operating costs;
- competitive conditions; and
- other operating difficulties.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. In the event that we are required to dispose of material assets or operations to meet our debt service and other obligations, the value realized on such assets or operations will depend on market conditions and the availability of buyers. Accordingly, any such sale may not, among other things, be for a sufficient dollar amount to fund our debt service obligations. Our obligations pursuant to the MidCap agreement are secured by first priority security interests in substantially all of our assets. The foregoing encumbrances may limit our ability to dispose of material assets or operations. We also may not be able to restructure our indebtedness on favorable economic terms, if at all.

We may incur additional indebtedness in the future, including pursuant to the MidCap agreement. Our incurrence of additional indebtedness would intensify the risks described above.

The MidCap agreement contains various covenants limiting the discretion of our management in operating our business.

The MidCap agreement contains, subject to certain carve-outs, various restrictive covenants that limit our management's discretion in operating our business. In particular, these instruments limit our ability to, among other things:

- incur additional debt;
- grant liens on assets;
- make investments, including capital expenditures and acquisitions;
- sell or acquire assets outside the ordinary course of business; and
- make fundamental business changes.

If we fail to comply with the restrictions in the MidCap agreement, a default may allow the creditors under the relevant instruments to accelerate the related debt and to exercise their remedies under these agreements, which will typically include the right to declare the principal amount of that debt, together with accrued and unpaid interest and other related amounts, immediately due and payable, to exercise any remedies the creditors may have to foreclose on assets that are subject to liens securing that debt and to terminate any commitments they had made to supply further funds.

We are currently heavily dependent on the successful further commercialization of our T-SPOT.TB test and, if we encounter delays or difficulties in the further commercialization of this product, our business could be harmed.

Our future success is heavily dependent upon the successful further commercialization of our T-SPOT.*TB* test. There is no assurance that we will continue to generate revenues from this product, or any products under development, in the future. Our business could be materially harmed if we encounter difficulties in the further commercialization of this product, including, among others: failure to achieve sufficient market acceptance by hospitals and public health departments as well as physicians, third-party payors and others in the medical community; the inability to compete with other diagnostic methods, including the TST; the inability to maintain and expand our sales, marketing and distribution networks; the inability to manage anticipated growth; the inability to obtain and/or maintain necessary regulatory approvals; and the inability to effectively protect our intellectual property.

Our financial results will depend on the market acceptance and increased demand of our products by hospitals and public health departments, as well as physicians and others in the medical community.

Our future success depends on our products gaining sufficient market acceptance by hospitals and public health departments. If our products do not achieve an adequate level of acceptance by such customer groups, we may not generate enough revenue to become profitable. For example, the degree of market acceptance of our T-SPOT.*TB* product will depend on a number of factors, including:

- clinical guidelines relative to the screening for, and diagnosis and monitoring of, TB infection;
- the efficacy and potential advantages of our T-SPOT.*TB* test over alternative tests;
- the willingness of our target customers to accept and adopt our T-SPOT.*TB* test;
- the ability to offer attractive pricing for our T-SPOT.*TB* test;
- the strength of marketing and distribution support and the timing of market introduction of competitive products; and
- outcomes from clinical studies and other publicity concerning our T-SPOT.*TB* test or competing products.

Our efforts to educate physicians and other members of the medical community on the benefits of our T-SPOT.*TB* test may require significant resources and may never be successful. Such efforts to educate the marketplace may require more resources than are required by conventional technologies marketed by our competitors. In particular, continuing to gain market acceptance for our T-SPOT.*TB* test in nascent markets could be challenging. In certain markets, including, for example, Japan and China, our potential for future growth is difficult to forecast. If we were to incorrectly forecast our ability to penetrate these markets, expenditures that we make may not result in the benefits that we expect, which could harm our results of operations. Moreover, in the event that our T-SPOT.*TB* test is the subject of guidelines, clinical studies or scientific publications that are unhelpful or damaging, or otherwise call into question the benefits of our T-SPOT.*TB* test, we may have difficulty in convincing prospective customers to adopt our test. Moreover, the perception by the investment community or shareholders that recommendations, guidelines or studies will result in decreased use of our products could adversely affect the prevailing market price for our ordinary shares. Similar challenges apply to all of the products in our pipeline.

The success of our T-SPOT.TB test depends on the continued demand for diagnostic products for tuberculosis.

Even if we achieve market acceptance, our success will depend on continued demand for diagnostic products for tuberculosis. Tuberculosis screening policies could change such that tests are conducted less frequently or in fewer instances. For example, healthcare institutions facing increased cost control requirements could determine to reduce employee testing. In addition, various institutions or governing bodies may decide that the incidence of TB has dropped sufficiently within their screening population so as to permit reduced testing (e.g., U.S. military guidelines were recently updated such that testing may now be required in fewer instances than under previous guidelines). Changes to immigration policies and policies relating to resettlement of refugees, as well as other policy changes may substantially reduce testing in the markets we serve and could have a material and adverse effect on our business.

New market opportunities may not develop as quickly as we expect, limiting our ability to market and sell our T-SPOT.TB test successfully.

We intend to take steps to continue to increase the presence of our T-SPOT.*TB* test in new markets both in the United States and internationally. We intend to expand our sales force globally and establish additional distributor relationships outside of our direct markets to better access international markets. We believe these opportunities will take substantial time to develop or mature, however, and we cannot be certain that these market opportunities will develop as we expect. The future growth and success of our T-SPOT.*TB* test in these markets depends on many factors beyond our control, including recognition and acceptance by the scientific community in that market and the prevalence and costs of competing methods of tuberculosis screening. If the markets for our T-SPOT.*TB* test do not develop as we expect, our business may be adversely affected.

Our T-SPOT.TB test competes with other diagnostic testing methods that may be more widely accepted than our test, and may compete with new diagnostic tests that may be developed by others in the future, which could impair our ability to maintain and grow our business and remain competitive.

The clinical diagnostics market is highly competitive, and we must be able to compete effectively against existing and future competitors in order to be successful. In selling our T-SPOT.*TB* test, we compete primarily with existing diagnostic technologies, particularly the TST, which is widely used as a test for TB infection. In addition, we compete with QFN which, like our T-SPOT.*TB* test, employs an IGRA method for detecting tuberculosis infection. If we are unable to differentiate our diagnostic tests from those of our competitors, our business may be materially and adversely affected. In addition, improvements in these technologies or the development of new technologies for diagnosing tuberculosis and the introduction of products that compete with our T-SPOT.*TB* test could adversely impact our ability to sell our T-SPOT.*TB* test or the sales price of the test. This could impact our ability to market our test and/or secure a distribution partner, both of which could have a substantial impact on the value of our T-SPOT.*TB* test.

We also face competition in the development, manufacture, marketing and commercialization of diagnostic products from a variety of other sources, such as academic institutions, government agencies, research institutions and other life sciences companies. These competitors are working to develop and market other diagnostic tests, systems, products and other methods of detecting, preventing or reducing tuberculosis.

Among the many experimental diagnostics being developed around the world, there may be diagnostics unknown to us that may compete with our T-SPOT.*TB* test. Many of our potential competitors have much greater capital resources, manufacturing, research and development resources and production facilities than we do. Competitors with greater resources may be able to offer tests and/or services at prices at which we are unable to compete and more quickly develop improvements than we are. Many of them may also have more experience than we have in preclinical testing and clinical trials of new diagnostic tests.

In our service offering, we also may face competition from commercial laboratories, including large national and regional laboratories, which may be able to offer access to TB testing. These laboratories may have perceived advantages over our solution, including phlebotomy services, established payor relationships and dedicated courier services. For example, as we seek to further penetrate the physicians' office segment of the U.S. market, we may find that physicians have established relationships with commercial laboratories that offer physicians additional services, such as phlebotomy, and a wider range of available laboratory tests that a physician may choose to order in addition to a TB test. Further, some commercial laboratories may be able to offer their services at lower cost to physicians' patients due to the reimbursement arrangements these laboratories may have established with third-party payors. These factors may make it difficult for us to convince physicians to use our test and service offering.

The markets for our T-SPOT.*TB* test are subject to changing technology, new product introductions and product enhancements, and evolving industry standards. The introduction or enhancement of products embodying new technology or the emergence of new industry standards could render existing products obsolete or result in short product life cycles or our inability to sell our T-SPOT.*TB* test without offering a significant discount.

Our future success depends on our ability to successfully develop, obtain clearance or approval for and commercialize new products.

Our future success partially depends on our ability to successfully develop and market new products. Our ability to develop any of these products is dependent on a number of factors, including funding availability to complete development efforts; our ability to develop products that adequately detect or measure the targeted function, condition or disease; our ability to secure required FDA or other regulatory clearance or approval and our ability to obtain licenses to necessary third-party intellectual property. We may encounter problems in the development phase for our products, which can result in substantial setbacks and delays or abandonment of further work on the potential product. There can be no assurance that we will not encounter such setbacks with the products in our pipeline, or that funding from outside sources and our revenue will be sufficient to bring any future product to the point of commercialization.

In addition, our future success partially depends on the successful completion of clinical trials demonstrating the utility of our product candidates. We currently have a number of pipeline products in development, some of which are or may become the subject of pivotal trials to demonstrate sufficient utility to support successful market adoption and/or to obtain regulatory approval for sale. Not all of our clinical trials may actually result in the successful commercialization of a product. We will not be able to commercialize our pipeline products if clinical trials do not produce successful results or if clinical trials do not demonstrate utility. In addition, the process for the completion of clinical trials and the regulatory approval submission process are lengthy and may be subject to a number of delays for various reasons, which could delay the commercialization of any product. If our development projects are not successful or are significantly delayed, we may not recover our substantial investments in the pipeline products, and our failure to bring these pipeline products to market on a timely basis, or at all, would adversely affect our business, results of operations and financial condition.

Even if we are successful in developing new products and securing regulatory approval to market them, we may not be able to achieve marketplace acceptance for our new products or generate significant revenue from their sale. As with our current T-SPOT.*TB* test, the success of any future products will depend upon the degree of market acceptance by physicians, hospitals, third-party payors and others in the medical community. Achieving market acceptance will require us to expend substantial time and resources to educate physicians and other members of the medical community on the benefits of any new product we develop and we may never be successful in gaining market acceptance of our new products. There can be no assurance that the products we seek to develop will work effectively in the marketplace, or that we will be able to produce them on an economical basis.

If we are unable to maintain and expand our network of direct sales representatives and independent distributors, we may not be able to generate anticipated sales.

We sell our T-SPOT.*TB* test through our own sales force in the United States, certain European countries and Japan and we sell through distributors in other parts of the world such as in China. Our operating results are directly dependent upon the sales and marketing efforts of not only our employees, but also our independent distributors. We expect our direct sales representatives and independent distributors to develop long-lasting relationships with the providers they serve. If our direct sales representatives or independent distributors fail to adequately promote, market and sell our product, our sales could significantly decrease.

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. If any significant independent distributor were to cease to distribute our product, our sales could be adversely affected. In such a situation, we may need to seek alternative independent distributors or increase our reliance on our direct sales representatives, which may not prevent our sales from being adversely affected. If a direct sales representative or independent distributor were to depart and be retained by one of our competitors, we may be unable to prevent them from helping competitors solicit business from our existing customers, which could further adversely affect our sales. Because of the intense competition for their services, we may be unable to recruit additional qualified independent distributors or to hire additional qualified direct sales representatives to work with us. We may also not be able to enter into agreements with them on favorable or commercially reasonable terms, if at all. Failure to hire or retain qualified direct sales representatives or independent distributors would prevent us from expanding our business and generating sales. See “Certain of our customers account for a significant portion of our revenue.”

As we launch new products and increase our sales, marketing and distribution efforts with respect to our T-SPOT.*TB* test, we will need to expand the reach of our sales, marketing and distribution networks. Our future success will depend largely on our ability to continue to hire, train, retain and motivate skilled direct sales representatives and independent distributors with significant technical knowledge in various areas. New hires require training and take time to achieve full productivity. If we fail to train new hires adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new hires will become as productive as may be necessary to maintain or increase our sales.

If we are unable to expand our sales and marketing capabilities domestically and internationally, we may not be able to effectively commercialize our products, which would adversely affect our business, results of operations and financial condition.

Health insurers and other payors may decide not to cover, or may discontinue reimbursing, our T-SPOT.TB test or any other diagnostic tests we offer or may offer, or may provide inadequate reimbursement, which could jeopardize our ability to expand our business.

Although for many of our current customers, including those in the hospital and public health segments, the cost of screening their employees for tuberculosis is not reimbursable, our business is somewhat impacted, and in the future may be more greatly impacted, by the level of reimbursement from payors or governmental limitations on price. In the United States, the regulatory process allows diagnostic tests to be marketed regardless of any coverage determinations made by payors. For new diagnostic tests, each payor makes its own decision about which tests it will cover, how much it will pay and whether it will continue reimbursing the test. Clinicians may order diagnostic tests that are not reimbursed if the patient is willing to pay for the test without reimbursement, but coverage determinations and reimbursement levels and conditions are important to the commercial success of a diagnostic product. In addition, eligibility for coverage does not imply that any product will be covered and reimbursed in all cases or reimbursed at a rate that allows our potential customers to make a profit or even cover their costs.

CMS establishes reimbursement payment levels and coverage rules for Medicare. CMS currently covers our T-SPOT.*TB* test. If CMS were to place significant restrictions on the use of our tests, reduce payment amounts or eliminate coverage altogether, our ability to generate revenue from our diagnostic tests could be limited. For example, payment for diagnostic tests furnished to Medicare beneficiaries is made based on a fee schedule set by CMS. In July 2013, CMS released certain proposals that re-examined payment amounts for tests reimbursed under the Medicare clinical laboratory fee schedule due to changes in technology. CMS also proposed to bundle the Medicare payments for certain laboratory tests ordered while a patient received services in a hospital outpatient setting, replacing the current methodology to make separate payments for the test. These changes went into effect on January 1, 2014. In addition, payment methodologies may be subject to changes in healthcare legislation. In February 2012, President Obama signed the Middle Class Tax Relief and Job Creation Act of 2012, which mandated an additional change in reimbursement for clinical laboratory services payments. This legislation required CMS to reduce the Medicare clinical laboratory fee schedule by 2% in 2013, which in turn serves as the base for 2014 and subsequent years. Levels of reimbursement may continue to decrease in the future, and future legislation, regulation or reimbursement policies of third-party payors may harm the demand and reimbursement available for our T-SPOT.*TB* test, which in turn, could harm our product pricing and sales. If our customers are not adequately reimbursed for our T-SPOT.*TB* test, they may reduce or discontinue purchases of our product, which would cause our revenues to decline.

The Protecting Access to Medicare Act of 2014, or PAMA, includes extensive revisions to the Medicare payment, coding, and coverage requirements for clinical diagnostic laboratory tests as well as creates a new subcategory of CDLTs called Advanced Diagnostic Laboratory Tests (ADLTs) with separate reporting and payment requirements. Under PAMA, the payment amount for CDLTs furnished on or after January 1, 2017, will be equal to the weighted median of private payor rates determined for the test, based on certain data reported by laboratories during a specified data collection period. Per the final payment rates and supporting documentation for the new private payor rate-based CLFS payment system published by CMS in late 2017, CMS reimbursement per test for CPT code 86481 is expected to be $100 in years 2018, 2019, and 2020.

In addition, state Medicaid plans and private commercial payors establish rates and coverage rules independently. As a result, the coverage determination process is often a time-consuming and costly process that requires us to provide scientific and clinical support for the use of our tests to each payor separately, with no assurance that coverage or adequate reimbursement will be obtained. Even if one or more third-party payors decides to reimburse for our tests, that payor may reduce utilization or stop or lower payment at any time, which could reduce our revenue. We cannot predict whether or when third-party payors will cover our tests or offer adequate reimbursement to make them commercially attractive. Clinicians may decide not to order our tests if inadequate third-party payments result in additional costs to the patient.

We are also subject to foreign reimbursement and payment schemes in the international markets we serve, including Japan, Switzerland, Germany, France and South Korea. Decisions by health insurers or other third-party payors in these markets not to cover, or to discontinue reimbursement, or governmental limitations on price could materially and adversely affect our business.

Billing complexities associated with obtaining payment or reimbursement for our tests may negatively affect our revenue, cash flow and profitability.

Although third-party payors accounted for only about 8% of our total revenue for the year ended December 31, 2017, we currently rely in part, and may in the future more heavily rely, on obtaining third-party payment or reimbursement for our test. We or our customers receive payment from individual patients and from a variety of payors, such as commercial insurance carriers, including managed care organizations and governmental programs, primarily Medicare and Medicaid in the United States. Each payor typically has different billing requirements, and the billing requirements of many payors have become increasingly stringent.

Among the factors complicating our billing of, and obtaining payment through, third-party payors are:

- disputes among payors as to which party is responsible for payment;
- disparity in coverage among various payors;
- disparity in information and billing requirements among payors;
- incorrect or missing billing information, which is required to be provided by the ordering physician; and
- payments may be sent directly to patients rather than to us.

These billing complexities, and the related uncertainty in obtaining payment for our tests, could negatively affect our revenue, cash flow and profitability.

We depend upon a limited number of suppliers, and certain components of our products may only be available from a sole source or limited number of suppliers.

Our T-SPOT.*TB* and T-SPOT.*CMV* tests are generally assembled by us from supplies we obtain from a limited number of suppliers. Critical components required to assemble our tests may only be available from a sole or limited number of component suppliers. For example, we source key components of our T-SPOT.*TB* test from EMD Millipore Corporation, Stemcell Technologies Inc., Mabtech AB, MicroCoat Biotechnologie GmbH and Life Technologies Corporation, any of whom would be difficult to replace. 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 and would adversely affect our sales and operating results and negatively impact our reputation. Our business would also be harmed if any of our suppliers could not meet our quality and performance specifications and quantity and delivery requirements.

Certain of our customers account for a significant portion of our revenue.

We sell our T-SPOT.*TB* test through a direct sales force in the United States, certain European countries and Japan. In Japan, while we maintain end-user relationships through our direct sales force, we sell through a single importer of record, Riken. In other parts of the world, we sell through distributors. For example, in China, we sell through a single distributor, Fosun. For the year ended December 31, 2017, sales to Fosun and through Riken together accounted for 25% of our total revenue, with Fosun accounting for 14% and Riken accounting for 11%. In the event that either of these customers or any other significant customer substantially reduces its purchases of our products, particularly if this occurs without adequate advance notice to enable us to secure alternate importation or distribution arrangements, our results of operations could be materially and adversely affected.

We or our suppliers may experience development or manufacturing problems or delays that could limit the growth of our revenue or increase our losses.

We may encounter unforeseen situations in the manufacture and assembly of our T-SPOT.*TB* test that would result in delays or shortfalls in our production. Our suppliers may also face similar delays or shortfalls. In addition, our or our suppliers' production processes and assembly methods may have to change to accommodate any significant future expansion of our manufacturing capacity, which may increase our or our suppliers' manufacturing costs, delay production of our product, reduce our product margin and adversely impact our business. If we are unable to keep up with demand for our product by successfully manufacturing and shipping our product in a timely manner, our revenue could be impaired, market acceptance for our product could be adversely affected and our customers might instead purchase our competitors' products. In addition, developing manufacturing procedures for new products would require developing specific production processes for those products. Developing such processes could be time consuming, and any unexpected difficulty in doing so can delay the introduction of a product.

We currently perform our tests for our service offering exclusively in two laboratory facilities in the United States and one laboratory in the United Kingdom. If these 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 currently perform our T-SPOT.*TB* test for our service offering in the United States at our laboratory facilities in Memphis, Tennessee and in Norwood, Massachusetts. In the United Kingdom we currently perform our T-SPOT.*TB* test exclusively in a single laboratory facility in Abingdon, England. In addition, our service offering for the testing for tick-borne diseases is performed exclusively in a single laboratory facility in Norwood, Massachusetts. If these or any future facilities were to be damaged, destroyed or otherwise unable to operate, whether due to fire, floods, hurricanes, storms, tornadoes, other natural disasters, employee malfeasance, terrorist acts, power outages, or otherwise, or if performance of our laboratories is disrupted for any other reason, we may not be able to perform our tests or generate test reports as promptly as our customers expect, or possibly not at all. Building or finding a replacement facility could be difficult, expensive and time consuming and any new laboratory would need to satisfy the various certification, accreditation and licensing requirements to which our current laboratory facilities are subject, including, for example, CLIA requirements in the United States. If we are unable to perform our tests or generate test reports within a timeframe that meets our customers' expectations, our business, financial results and reputation could be materially harmed.

As of December 31, 2017, we maintain insurance coverage totaling $14.5 million against damage to our property and equipment and an additional $58.4 million to cover business interruption and research and development restoration expenses, subject to deductibles and other limitations. If we have underestimated our insurance needs with respect to an interruption, however, or if an interruption is not subject to coverage under our insurance policies, we may not be able to cover our losses. Even if we cover our losses, our business, financial results and reputation could be materially harmed.

Failure in our information technology or storage systems could significantly disrupt our operations and our research and development efforts, which could adversely impact our revenue, as well as our research, development and commercialization efforts.

Our ability to execute our business strategy depends, in part, on the continued and uninterrupted performance of our information technology, or IT, systems, which support our operations, including our Laboratory Information System, or LIS, our billing system, and our customer interfaces. Due to the sophisticated nature of the technology we use in our laboratories and our complex billing procedures, we are substantially dependent on our IT systems. IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and back-up measures, some of our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures we have taken to prevent unanticipated problems that could affect our IT systems, sustained or repeated system failures that interrupt our ability to generate and maintain data, and in particular to operate our LIS or billing systems, could adversely affect our ability to operate our business. Any interruption in the operation of our LIS or billing systems, due to IT system failures, part failures or potential disruptions in the event we are required to relocate our IT systems within our facility or to another facility could have an adverse effect on our operations.

We rely on courier delivery services to transport samples to our facilities for testing. If these delivery services are disrupted, our business and customer satisfaction could be negatively impacted.

Customers in the United States and the United Kingdom ship samples to us by air and ground express courier delivery service for testing in our Memphis, Tennessee, Norwood, Massachusetts and Abingdon, England facilities. If we suffer from disruptions in delivery service, whether due to bad weather, natural disaster, terrorist acts or threats, or for other reasons, we may be unable to provide timely services to customers or at all. As a result, such disruptions could materially and adversely affect our financial results and our reputation.

Because our business relies heavily on international operations and revenue, changes in currency exchange rates and our need to convert currencies may negatively affect our financial condition and results of operations.

Our business relies heavily on our operations outside the United States. For the year ended December 31, 2017, 38% of our total revenue was derived from sales outside the United States. Because we currently operate in three major regions of the world (the United States, Europe and rest of world, or Europe and ROW, and Asia), our revenue is denominated in multiple currencies. Sales in the United States are denominated in U.S. Dollars. Sales in China are denominated in U.S. Dollars and sales in Japan are denominated in Yen but, in each case, these sales are made by our U.K.-based legal entity where the Pound Sterling is the functional currency. As a result, these sales are subject to remeasurement into Pounds Sterling and then translation into U.S. Dollars when we consolidate our financial statements. Sales in Europe are denominated primarily in the Pound Sterling and Euro. As we grow Europe and ROW sales outside the United Kingdom and the European Union countries, or the Euro Zone, whose national currency is the Euro, we will be subject to exchange rate risk from additional currencies. As a result, our exchange rate exposure may change over time as our business practices evolve and could result in increased costs or reduced revenue and could affect our actual cash flow. Changes in the relative values of currencies occur regularly and, in some instances, may have a significant impact on our operating results. We cannot predict with any certainty changes in currency exchange rates or the degree to which we can effectively mitigate these risks.

In addition, the weakening of foreign currencies relative to the U.S. Dollar may require us to reduce prices to allow distributors to maintain profitable businesses. As a result, sales and earnings of our products in countries outside the United States may be materially adversely affected by foreign currency exchange rate fluctuations.

A decline in the state of the global economy and financial market conditions could adversely affect our ability to conduct business and our results of operations.

Global economic and financial market conditions, including disruptions in the credit markets and the threat of or impact of global economic deterioration may materially impact our customers and other parties with whom we do business. Such conditions could negatively affect our future sales of our products. A decline in general economic and financial market conditions could materially adversely affect our financial condition and results of operations. Specifically, the impact of these volatile and negative conditions may include decreased demand for our products and services, a decrease in our ability to accurately forecast future product trends and demand, and a negative impact on our ability to timely collect receivables from our customers. The foregoing economic conditions may lead to increased levels of bankruptcies, restructurings and liquidations for our customers, scaling back of research and development expenditures, delays in planned projects and shifts in business strategies for many of our customers. Such events could, in turn, adversely affect our business through loss of sales.

Uncertainty arising from global political events, including as a result of the June 2016 referendum on the United Kingdom's exit from the European Union, could adversely affect our ability to conduct business and our results of operations.

On June 23, 2016, the United Kingdom, or U.K., held a non-binding referendum, commonly referred to as "Brexit", in which voters approved an exit from the European Union, or E.U. Thereafter, on March 29, 2017, the U.K. formally notified the E.U. of its intention to withdraw pursuant to Article 50 of the Treaty of the European Union, which formally initiated the withdrawal procedure and set the U.K. on track to exit the E.U. by no later than April 2019.

It appears likely that this withdrawal will involve a process of lengthy negotiations between the U.K. and E.U. member states to determine the future terms of the U.K.'s relationship with the E.U. For example, on December 8, 2017, the U.K. reached an agreement in principle with the E.U. on certain areas under consideration as part of the first phase of negotiations on the terms of its exit from the E.U. The ongoing negotiations between the U.K. and E.U., could lead to a period of considerable uncertainty and volatility, particularly in relation to U.K. financial and banking markets. There is also a risk that the vote by the U.K. to leave the E.U. could result in other member states re-considering their respective membership in the E.U. Weakening of economic conditions or economic uncertainties tend to harm our business, and if such conditions emerge in the U.K. or in the rest of Europe, it may have a material adverse effect on our operations and sales.

Although it is unknown what the terms of the U.K.'s future relationship with the E.U. will be, it is possible that there will be greater restrictions on trade between the U.K. and E.U. countries and increased regulatory complexities. These changes may adversely affect our operations and financial results. The announcement of Brexit also caused significant volatility in global currency markets. The fluctuation of currency exchange rates may expose us to gains and losses on non U.S. currency transactions and impact the purchasing power of our non U.S. currency customers, causing them to decrease or cancel orders or default on payment. Any global political uncertainty similar to the Brexit referendum could similarly harm our ability to conduct our business and our results of operations.

Changes in U.S. tax law may have a material adverse effect on our business, financial condition and results of operations.

Changes in laws and policy relating to taxes or trade may have an adverse effect on our business, financial condition and results of operations. Recent tax reforms in the U.S. have resulted in significant changes to preexisting U.S. tax rules and regulations. These changes may trigger an adverse effect on our business, financial conditions and results of operations.

Additionally, the 2016 U.S. presidential election introduced a great deal of uncertainty regarding trade policies, tariffs and government regulations, which if altered could have the potential to create a significant adverse effect on trade between the U.S. and other countries. Overall, changes in international trade relations, such as the imposition of or increase in tariffs or other trade barriers, could materially and adversely impact our costs and reduce the competitiveness of our products.

We have in the past and may in the future seek to grow our business through acquisitions of or investments in new or complementary businesses, products or technologies, and the failure to manage acquisitions or investments, or the failure to integrate them with our existing business, could have a material adverse effect on our operating results and the value of our ordinary shares.

From time to time we expect to consider opportunities to acquire or make investments in other technologies, products and businesses that may enhance our capabilities, complement our current products or expand the breadth of our product offerings, markets or customer base. Potential and completed acquisitions and strategic investments involve numerous risks, including:

- difficulties in acquiring new products, technologies or businesses that will help our current business;
- difficulties in integrating acquired personnel, technologies, products or business operations;
- issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering new markets in which we have limited or no experience;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

We have completed three acquisitions since 2014. On July 31, 2014, we acquired substantially all of the assets of Boulder, a privately owned company developing immunology-based assays for autoimmune and inflammatory conditions/diseases. On July 1, 2016, we acquired substantially all of the assets of Imugen, a privately owned Massachusetts corporation specializing in the development and performance of testing for tick-borne diseases, including Lyme disease. On October 12, 2016, we acquired Immunetics, a privately owned Massachusetts corporation focused on developing specialized tests for infectious diseases, including tick-borne diseases, such as Lyme disease.

These acquisitions brought us additional product pipeline opportunities which we believe are well-suited to our growing commercial infrastructure, but there can be no assurance that we will be able to successfully develop and complete the development or commercialization of the products that we acquired in these acquisitions. Further, even if we are able to profitably commercialize the underlying product candidates, there is no guarantee that we will be able to do so before any competitors develop and commercialize similar products.

In addition to our completed acquisitions, any acquisitions we undertake in the future could be expensive and time consuming, and may disrupt our ongoing business and prevent management from focusing on our operations. If we are unable to manage acquisitions or investments, or integrate any future acquired businesses, products or technologies effectively, our business, results of operations and financial condition may be materially and adversely affected.

Write-offs related to the impairments of our long-lived assets, including goodwill and indefinite-lived intangible assets may adversely impact our results of operations.

We have in the past and may in the future need to take write-offs as a result of impairments to certain of our long-lived assets. For example, in the third quarter of 2017, due to increased competition in the molecular blood donor screening market for *Babesia microti*, we recorded a non-cash impairment charge of $11.1 million to write-off certain intangible assets acquired in conjunction with the 2016 acquisition of Imugen. Additionally, in the fourth quarter of 2017, due to a mid-February CRL from FDA regarding the Company's fourth quarter 2017 submissions in relation to its BLA for the Immunetics *Babesia microti* blood donor screening assay, the Company recorded an impairment charge of $7.2 million to write-off the related intangible assets.

Further, during the fourth quarter of 2016, we made the strategic decision to end our GoutiFind program. GoutiFind was a blood test designed to allow for early diagnosis of gout and better inform therapies by measuring the strength of the underlying uric acid induced inflammation. As a result of this decision, we recorded a non-cash IPR&D impairment charge of $270,000. Also during the fourth quarter of 2016, we recorded a non-cash IPR&D impairment charge of $1.4 million related to the SpiroFind assay when it was determined that the Boulder IPR&D will not directly yield any products.

Finally, during the third quarter of 2015, the timeline for the development of an assay to inform decisions regarding biologic therapies that was acquired as part of the Boulder acquisition was changed due to delays in the completion of research studies. Based upon the changed timeline and the resulting impact on fair value, we recorded a non-cash IPR&D impairment charge of $385,000.

We may incur additional non-cash charges related to impairments of our long-lived assets, including goodwill and indefinite-lived intangible assets. We are required to perform periodic impairment reviews of these assets at least annually. To the extent future reviews conclude that the expected future cash flows generated from our business activities are not sufficient to recover the carrying value of these assets, we will be required to measure and record an impairment charge to write-down these assets to their realizable values and those impairment charges could be equal to the entire carrying value of the assets. Any such write-downs could adversely impact our operating results.

Our business could suffer if we lose the services of, or are unable to attract and retain, key members of our senior management, key advisors or other personnel.

We are dependent upon the continued services of key members of our senior management and a limited number of key advisors and personnel. In particular, we are highly dependent on the skills and leadership of our Chief Executive Officer, Dr. Peter Wrighton-Smith, and the other members of management named in the "Management" section elsewhere in this Annual Report. The loss of any one of these individuals could disrupt our operations or our strategic plans. Additionally, our future success will depend on, among other things, our ability to continue to hire and retain the necessary qualified scientific, technical, sales, marketing and managerial personnel, for whom we compete with numerous other companies, academic institutions and organizations. The loss of members of our management team, key advisors or personnel, or our inability to attract or retain other qualified personnel or advisors, could have a material adverse effect on our business, results of operations and financial condition. Although all members of our senior management team have entered into agreements that restrict their ability to compete with us for a period of time after the end of their employment, we may be unable to enforce such restrictive covenants at all or for a sufficient duration of time to prevent members of our management team from competing with us.

Our ability to use net operating losses to offset future taxable income may be subject to substantial limitations.

As of December 31, 2017, our available U.S. federal net operating losses, or NOLs, totaled $160.5 million and U.S. state loss carryforwards totaled $154.9 million. The amount of these NOLs remains subject to review and possible adjustment by the Internal Revenue Service and state revenue authorities, as applicable. NOLs may become subject to an annual limitation if there is a cumulative change in the ownership interest of significant shareholders (or certain shareholder groups) over a three-year period in excess of 50%, in accordance with rules established under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, and similar state rules (we refer to each as an ownership change). Such an ownership change could limit the amount of historic NOLs that can be utilized annually to offset future taxable income. The amount of this annual limitation is determined based on our value immediately prior to the ownership change. We have completed several financings since our inception, including our most recent public offering of ordinary shares that closed on August 18, 2017, that may have resulted in one or more ownership changes under this definition. If we are deemed to have undergone an ownership change by virtue of these transactions, we may not be able to utilize a material portion of our NOLs even if we attain profitability. Future changes in our share ownership, some of which are outside of our control, could result in additional ownership changes for purposes of these rules. We are unable to predict future ownership changes or the way an ownership change could limit the use of our NOLs. In addition, recent changes to U.S. tax laws could negatively affect our ability to use net operating losses to offset future taxable income.

Risks related to regulatory and other legal issues.

If we fail to comply with extensive regulations of domestic and international regulatory authorities, sales of our T-SPOT.TB test in new markets and the development and commercialization of any new product candidates could be delayed or prevented.

Our existing tests, as well as new tests will be, subject to extensive government regulations related to development, testing, manufacturing and commercialization in the United States and other countries before we can sell in these markets. The process of obtaining and complying with FDA and other governmental regulatory approvals and regulations is costly, time consuming, uncertain and subject to unanticipated delays. Securing regulatory approval for a new product, in the United States and many other countries, typically requires several years. Despite the time and expense exerted, regulatory approval is never guaranteed. We may not be able to obtain FDA or other required regulatory approval and market any further products we may develop during the time we anticipate, or at all. We also are subject to the following risks and obligations, among others:

- regulators may refuse to approve an application if they believe that applicable regulatory criteria are not satisfied;
- regulators may require additional testing for safety and effectiveness;
- regulators may interpret data from clinical studies in different ways than we interpret them;
- if regulatory approval of a product is granted, the approval may be limited to specific indications or limited with respect to its distribution; and
- regulators may change their approval policies and/or adopt new regulations that affect our ability to secure approvals for new products, which would decrease the chance we would be able to commercialize new diagnostic tests.

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 revenue and operating income.

If we or our suppliers fail to comply with ongoing regulatory requirements, or if we experience unanticipated problems with our products, these products could be subject to restrictions or withdrawal from the market.

Any product for which we obtain marketing approval in the United States or in international jurisdictions, along with the manufacturing processes, post-approval clinical data and promotional activities for such product, will be subject to continual review and periodic inspections by the FDA and other regulatory bodies. Furthermore, our suppliers may be subject to similar regulatory oversight, and may not currently be or may not continue to be in compliance with applicable regulatory requirements. Failure by us or one of our suppliers to comply with statutes and regulations administered by the FDA and other regulatory bodies, or failure to take adequate action in response to any observations, could result in, among other things, any of the following enforcement actions:

- warning letters or untitled letters;
- fines and civil penalties;
- unanticipated expenditures for corrective actions;
- delays in approving, or refusal to approve, our products;
- withdrawal or suspension of approval by the FDA or other regulatory bodies;
- product recall or seizures;
- interruption of production;
- operating restrictions;
- injunctions; and
- criminal penalties.

If any of these actions were to occur, it could harm our reputation and could cause our product sales and profitability to suffer.

Any regulatory approval of a product may also be subject to limitations on the indicated uses for which the product may be marketed. If the FDA or another regulatory body determines that our promotional materials, training or other activities constitute promotion of an unapproved use, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our training or promotional materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under applicable statutory authorities, such as laws prohibiting false claims for reimbursement.

Additionally, we may be required to conduct costly post-market testing, and we will be required to report adverse events and malfunctions related to our products. Later discovery of previously unknown problems with our products, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements may result in restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, fines, suspension of regulatory approvals, product seizures, injunctions or the imposition of civil or criminal penalties.

Furthermore, the FDA and various other authorities will inspect our facilities and those of our suppliers from time to time to determine whether we are in compliance with regulations relating to the manufacture of diagnostic products, including regulations concerning design, manufacture, testing, quality control, product labeling, distribution, promotion and record-keeping practices. A determination that we are in material violation of such regulations could lead to the imposition of civil penalties, including fines, product recalls, product seizures or, in extreme cases, criminal sanctions.

If we are unable to comply with the requirements of CLIA and state laws governing clinical laboratories or if we are required to expend significant additional resources to comply with these requirements, the success of our business could be threatened.

HHS has classified our T-SPOT and tick-borne disease tests as high-complexity tests under CLIA. Under CLIA, personnel requirements for laboratories conducting high-complexity tests are more stringent than those applicable to laboratories performing less complex tests. As a result of these personnel requirements, we must employ more experienced or more highly educated personnel and additional categories of employees, which increases our operating costs. If we fail to meet CLIA requirements, HHS or state agencies could require us to cease some or all of the tests that we offer. Continued compliance with CLIA requirements may cause us to incur significant expenses and potentially lose revenue in doing so. Moreover, new interpretations of current regulations or future changes in regulations under CLIA may make it difficult or impossible for us to comply with our CLIA classification, which would significantly harm our business.

Many states in which our physician and laboratory clients are located, such as New York, have laws and regulations governing clinical laboratories that are more stringent than federal law and may apply to us even if we are not located, and do not perform tests, in that state. We may also be subject to additional licensing requirements as we expand our sales and operations into new geographic areas, which could impair our ability to pursue our growth strategy.

We may potentially be subject to product liability claims.

The testing, manufacturing and marketing of medical diagnostic tests such as our T-SPOT.*TB* test entail an inherent risk of product liability claims. Further, providing clinical testing services entails a risk of claims for errors or omissions made by our laboratory staff. Potential liability claims may exceed the amount of our insurance coverage or may be excluded from coverage under the terms of the policy. As of December 31, 2017, we had product liability insurance of $15.4 million. Our existing insurance will have to be increased in the future if we are successful at introducing new diagnostic products and this will increase our costs. Under certain of our customer and license agreements, we have agreed to provide indemnification for product liability claims arising out of the use of our T-SPOT.*TB* test. In the event that we are held liable for a claim or for damages exceeding the limits of our insurance coverage, we may be required to make substantial payments.

Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our product and product candidates;
- injury to our reputation;
- costs of related litigation;
- substantial monetary awards to patients and others;
- loss of revenue; and
- the inability to commercialize our products and product candidates.

Any of these outcomes may have an adverse effect on our consolidated results of operations, financial condition and cash flows, and may increase the volatility of our share price.

Our inadvertent or unintentional failure to comply with the complex government regulations concerning privacy of medical and personal information could subject us to fines and adversely affect our reputation.

Privacy regulations in the U.S. and around the world limit use or disclosure of protected personal information without written authorization or consent, except for permitted purposes outlined in the privacy regulations. The privacy regulations provide for significant fines and other penalties for wrongful use or disclosure of protected health information, including potential civil and criminal fines and penalties.

We have policies and practices that we believe make us compliant with the privacy regulations. Nevertheless, the documentation and process requirements of the privacy regulations are complex and subject to interpretation. Failure to comply with the privacy regulations could subject us to sanctions or penalties, loss of business and negative publicity.

In the U.S., the privacy regulations establish a “floor” of minimum protection for patients as to their medical information. We are required to comply with both HIPAA privacy regulations and various state privacy laws. Although the HIPAA statute and regulations do not expressly provide for a private right of action, we could incur damages under state laws to private parties for the wrongful use or disclosure of confidential health information or other private personal information. Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal framework with which we or our customers must comply, including the General Data Protection Regulation established in the European Union. We may also need to comply with varying and possibly conflicting privacy laws and regulations in other jurisdictions. As a result, we could face regulatory actions, including significant fines or penalties, adverse publicity and possible loss of business.

A disruption in our computer networks, including those related to cybersecurity, could adversely affect our financial performance.

We rely on our computer networks and systems, some of which are managed by third parties, to manage and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers and other business partners), and to manage or support a variety of critical business processes and activities. We may face threats to our networks from unauthorized access, security breaches and other system disruptions. Despite our security measures, our infrastructure may be vulnerable to external or internal attacks. Any such security breach may compromise information stored on our networks and may result in significant data losses or theft of sensitive or proprietary information. A cybersecurity breach could hurt our reputation by adversely affecting the perception of customers and potential customers of the security of their orders and personal information. In addition, a cybersecurity attack could result in other negative consequences, including disruption of our internal operations, increased cyber security protection costs, lost revenue, regulatory actions or litigation. Any disruption of could also have a material adverse impact on our operations. To date, we have not experienced any material cybersecurity attacks.

Our use of biological and hazardous materials and waste requires us to comply with regulatory requirements, including environmental, health and safety laws, regulations and permit requirements and subjects us to significant costs and exposes us to potential liabilities.

The handling of materials used in the diagnostic testing process involves the controlled use of biological and hazardous materials and wastes. The primary hazardous materials we handle or use include human blood samples and solvents. Our business and facilities and those of our suppliers are subject to federal, state, local and foreign laws and regulations relating to the protection of human health and the environment, including those governing the use, manufacture, storage, handling and disposal of, and exposure to, such materials and wastes. In addition, under some environmental laws and regulations, we could be held responsible for costs relating to any contamination at our past or present facilities and at third-party waste disposal sites even if such contamination was not caused by us. A failure to comply with current or future environmental laws and regulations, including the failure to obtain, maintain or comply with any required permits, could result in severe fines or penalties. Any such expenses or liability could have a significant negative impact on our business, results of operations and financial condition. In addition, we may be required to incur significant costs to comply with regulatory requirements in the future.

Our business arrangements with customers and third-party payors are subject to applicable anti-kickback, anti-fraud and abuse and other healthcare laws and regulations. If such business arrangements fail to comply with these laws and regulations, we could be exposed to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and ordering of any product candidates, including our T-SPOT.*TB* test, for which we obtain marketing approval. Our arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our product. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The U.S. federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federally funded healthcare programs such as Medicare and Medicaid. This statute has been broadly interpreted to apply to manufacturer arrangements with prescribers, purchasers and formulary managers, among others. Several other countries, including the United Kingdom, have enacted similar anti-kickback, fraud and abuse, and healthcare laws and regulations.
- The U.S. False Claims Act imposes criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government.
- HIPAA imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA also imposes criminal liability for knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.
- The federal Physician Payment Sunshine Act requirements under the PPACA require manufacturers of drugs, devices, biologics and medical supplies to report to HHS information related to payments and other transfers of value made to or at the request of covered recipients, such as physicians and teaching hospitals, and physician ownership and investment interests in such manufacturers. Payments made to physicians and research institutions for clinical trials are included within the ambit of this law. Certain state laws and regulations also require the reporting of certain items of value provided to health care professionals.
- Analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations involve substantial costs. We may be subject to *qui tam* litigation brought by private individuals on behalf of the government under the U.S. Federal False Claims Act, which would include claims for up to treble damages. Additionally, it is possible that governmental authorities would conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. Exclusion, suspension and debarment from government funded healthcare programs would significantly impact our ability to commercialize, sell or distribute any product. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

We are subject to the U.K. Bribery Act, the U.S. Foreign Corrupt Practices Act and other anti-corruption laws, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, and legal expenses, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to anti-corruption laws, including the U.K. Bribery Act 2010, or Bribery Act, the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws that apply in countries where we do business. The Bribery Act, FCPA and these other laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We and our commercial partners operate in a number of jurisdictions that pose a high risk of potential Bribery Act or FCPA violations, and we participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the Bribery Act, FCPA or local anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the European Union, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations, collectively referred to as the Trade Control laws.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the Bribery Act, the FCPA or other legal requirements, including Trade Control laws. If we violate provisions of the Bribery Act, the FCPA or other anti-corruption laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation into or audit of us of any potential violations of the Bribery Act, the FCPA, other anti-corruption laws or Trade Control laws by U.K., U.S. or other authorities could subject us to fines or criminal or other penalties, which could have an adverse impact on our reputation, our business, results of operations and financial condition.

Healthcare reform measures could hinder or prevent the commercial success of our diagnostic tests.

In March 2010, President Obama signed into law a legislative overhaul of the U.S. healthcare system, the PPACA, which had far-reaching consequences for many healthcare companies, including diagnostic companies like us. For example, if reimbursement for our diagnostic tests is substantially less than we or our clinical laboratory customers expect, our business could be materially and adversely impacted. However, the future of the PPACA is uncertain and at this juncture there will be a period of uncertainty regarding the PPACA's repeal, modification or replacement or the effect of the changes made to the PPACA under the Tax Cuts and Jobs Act of 2017, any of which could have long term financial impact on the delivery of and payment for healthcare in the U.S.

Regardless of the impact of the PPACA on us, the U.S. government and other governments have shown significant interest in pursuing healthcare reform and reducing healthcare costs. Any government-adopted reform measures could cause significant pressure on the pricing of healthcare products and services, including our T-SPOT.*TB* test, in the United States and internationally, as well as the amount of reimbursement available from governmental agencies and other third-party payors.

Actual and anticipated changes to the regulations of the healthcare system and U.S. tax laws may have a negative impact on the cost of healthcare coverage and reimbursement of healthcare services and products.

The FDA and comparable agencies in other jurisdictions directly regulate many critical activities of life science, technology, and healthcare industries, including the conduct of preclinical and clinical studies, product manufacturing, advertising and promotion, product distribution, adverse event reporting, and product risk management. In both domestic and foreign markets, sales of products depend in part on the availability and amount of reimbursement by third-party payors, including governments and private health plans. Governments may regulate coverage, reimbursement, and pricing of products to control cost or affect utilization of products. Private health plans may also seek to manage cost and utilization by implementing coverage and reimbursement limitations. Substantial uncertainty exists regarding the reimbursement by third-party payors of newly approved healthcare products. The U.S. and foreign governments regularly consider reform measures that affect healthcare coverage and costs. Such reforms may include changes to the coverage and reimbursement of healthcare services and products. In particular, there have been recent judicial and Congressional challenges to the PPACA, which could have an impact on coverage and reimbursement for healthcare services covered by plans authorized by the PPACA, and we expect there will be additional challenges and amendments to the PPACA in the future.

Attempts to repeal or to repeal and replace the PPACA will likely continue under the current Congress. In addition, various other healthcare reform proposals have emerged at the federal and state level. The recent changes to U.S. tax laws could also negatively impact the PPACA. We cannot predict what healthcare initiatives or tax law changes, if any, will be implemented at the federal or state level, however, government and other regulatory oversight and future regulatory and government interference with the healthcare systems could adversely impact our business.

Risks related to our intellectual property.

We may be unable to protect or obtain proprietary rights that we utilize or intend to utilize.

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. See "Legal Proceedings" for more information. 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.

We are unable to predict whether any of our currently pending or future patent applications will result in issued patents, or how long it may take for such patents to be issued. Further, we cannot predict whether other parties will challenge any patents issued or licensed to us or that courts or administrative agencies will hold our patents or the patents we license to be valid and enforceable. We may not be successful in defending challenges made against our patents and patent applications. Any successful third-party challenge to our patents could result in the unenforceability or invalidity of such patents. Both the patent application process and the process of managing patent disputes can be time consuming and expensive.

The patent positions of life sciences companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in such companies' patents has emerged to date in the United States. Furthermore, in the biotechnology field, courts frequently render opinions that may affect the patentability of certain inventions or discoveries and the patent positions of companies engaged in development and commercialization of certain diagnostic tests. Various courts, including the U.S. Supreme Court, have recently rendered decisions that impact the scope of patentability of certain inventions or discoveries relating to genomic diagnostics. These decisions generally stand for the proposition that inventions that recite laws of nature are not themselves patentable unless they have sufficient additional features that provide practical assurance that the processes are genuine inventive applications of those laws rather than patent drafting efforts designed to monopolize the law of nature itself. What constitutes a "sufficient" additional feature is uncertain. While we do not generally rely on gene sequence patents, this evolving case law in the United States may adversely impact our ability to obtain new patents and may facilitate third-party challenges to our existing owned and licensed patents.

Changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property rights. We cannot predict the breadth of claims that may be allowed or enforced in patents we own or in those to which we have license rights. For example:

- the inventor might not have been the first to make the inventions covered by patents we rely on;
- the inventor or his assignee might not have been the first to file patent applications for the claimed inventions;
- others may independently develop similar or alternative products and technologies or duplicate our product and technologies;
- it is possible that the patents we own or license may not provide us with any competitive advantages, or may be challenged and invalidated by third parties;
- any patents we obtain or license may expire before, or shortly after, the products and services relating to such patents are commercialized;
- we may not develop additional proprietary products and technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

In particular, in September 2011, the U.S. Congress passed the Leahy-Smith America Invents Act, or the AIA, which became effective in March 2013. The AIA reforms U.S. patent law in part by changing the standard for patent approval for certain patents from a "first to invent" standard to a "first to file" standard and developing a post-grant review system. It is too early to determine what the effect or impact the AIA will have on the operation of our business and the protection and enforcement of our intellectual property. However, the AIA and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Some patent applications in the United States may be maintained in secrecy until the patents are issued, other patent applications in the United States and many foreign jurisdictions are not published until eighteen months after filing, and publications in the scientific literature often lag behind actual discoveries. We therefore cannot be certain that others have not filed patent applications for technology covered by issued patents or pending applications that we own or license or that we or our licensors, as applicable, were the first to invent the technology (pre-AIA) or first to file (post-AIA). Our competitors may have filed, and may in the future file, patent applications covering technology similar or the same as ours. Any such patent application may have priority over patent applications that we own or license and could further require us to obtain rights to such technologies in order to carry on our business. If another party has filed a U.S. patent application on inventions similar or the same as those that we own or license, we or our licensors may have to participate in an interference or other proceeding in the U.S. Patent and Trademark Office, or PTO, or a court to determine priority of invention in the United States, for pre-AIA applications and patents. For post-AIA applications and patents, we or our licensors may have to participate in a derivation proceeding to resolve disputes relating to inventorship. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful, resulting in a loss of our U.S. patent position with respect to such inventions.

Some of our competitors may be able to sustain the costs of complex patent disputes and litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any disputes or litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

In addition to pursuing patents on our technology, we seek to protect our intellectual property and proprietary technology by entering into intellectual property assignment agreements with our employees, consultants and third-party collaborators. See "We may be unable to adequately prevent disclosure of trade secrets and other proprietary information, or the misappropriation of the intellectual property we regard as our own."

Our intellectual property rights may not be sufficient to protect our competitive position and to prevent others from manufacturing, using or selling competing products.

The scope of our owned and licensed intellectual property rights may not be sufficient to prevent others from manufacturing, using or selling competing tests. For example, our intellectual property position depends in part on intellectual property that we license from third parties. However, many of the key patents we license are expected to expire by 2020. In addition, while many of the licenses we have been granted are exclusive, such rights may be limited to a narrowly defined field of use. As a result, our competitors may have obtained or be able to obtain a license to the same intellectual property in a closely related field of use. Finally, we have also granted sublicenses to third parties under certain of the intellectual property that we license. Such sublicenses may allow third parties or their licensees to market a TB test that would otherwise infringe upon such intellectual property.

Moreover, competitors could purchase our product and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If our intellectual property is not adequately protected so as to protect our market against competitors' products and methods, our competitive position could be adversely affected, as could our business.

We depend on certain technologies that are licensed or sublicensed to us. We do not control these technologies and any loss of our rights to them could prevent us from selling our product.

We rely on licenses in order to be able to use various proprietary technologies that are material to our business. We do not own the patents that underlie these licenses. Our rights to use these technologies and employ the inventions claimed in the licensed patents are subject to the continuation of and our compliance with the terms of those licenses.

In some cases, we do not control the prosecution, maintenance or filing of the patents to which we hold licenses. Enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents is often subject to the control or cooperation of our licensors. We cannot be certain that our licensors will prosecute, maintain, enforce and defend the licensed patent rights in a manner consistent with the best interests of our business. We also cannot be certain that drafting or prosecution of the licensed patents and patent applications by the licensors have been or will be conducted in compliance with applicable laws and regulations, will result in valid and enforceable patents and other intellectual property rights, or that any issued patents or patents that may issue in the future will provide any competitive advantage.

Certain of our licenses contain provisions that allow the licensor to terminate the license upon specific conditions. Our rights under each of the licenses are subject to our continued compliance with the terms of the license, including certain diligence, disclosure and confidentiality obligations and the payment of royalties and other fees. If we were found to be in breach of any of our license agreements, in certain circumstances our licensors may take action against us, including termination of the applicable license. Because of the complexity of our product and the patents we have licensed, determining the scope of the license and related obligations can be difficult and can lead to disputes between us and the licensor. An unfavorable resolution of such a dispute could lead to an increase in the royalties payable pursuant to the license or termination of the license. If a licensor believed we were not paying the royalties due under the license or were otherwise not in compliance with the terms of the license, the licensor may have the right to terminate the license or, in certain circumstances, to convert an exclusive license to a non-exclusive one. If such an event were to occur, the value of our product or product candidates could be materially adversely affected, we might be barred from producing and selling some or all of our products and may be subject to other liabilities.

In addition to the above risks, certain of our licensors do not own certain intellectual property included in the license, but instead have licensed such intellectual property from a third party, and have granted us a sub-license. As a result, the actions of our licensors or of the ultimate owners of the intellectual property may affect our rights to use our sublicensed intellectual property, even if we are in compliance with all of the obligations under our license agreements. For example, one of our licenses comprises a sublicense to us of certain patent rights owned by a third party that is not our direct licensor. If our licensors were to fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or should such agreements be terminated or amended, our ability to produce and sell our product and product candidates may be materially harmed. Finally, the legal issues surrounding the treatment of intellectual property licenses in bankruptcy proceedings are complex and may vary from jurisdiction to jurisdiction. We therefore cannot provide assurance that we would not lose some or all of our rights under a license if the applicable licensor was involved in such proceedings.

We may become involved in disputes relating to our intellectual property rights, and may need to resort to litigation in order to defend and enforce our intellectual property rights. In addition, we could face claims that our activities or the manufacture, use or sale of our products infringe the intellectual property rights of others, which could cause us to pay substantial damages or licensing fees and limit our ability to sell some or all of our products and services.

Extensive litigation regarding patents and other intellectual property rights has been common in the medical diagnostics industry. Litigation may be necessary to assert infringement claims, enforce patent rights, protect trade secrets or know-how and determine the enforceability, scope and validity of certain proprietary rights. Litigation may even be necessary to resolve disputes of inventorship or ownership of proprietary rights. The defense and prosecution of intellectual property lawsuits, PTO interference or derivation proceedings, and related legal and administrative proceedings (e.g., a reexamination) in the U.S. and internationally involve complex legal and factual questions. As a result, such proceedings are costly and time consuming to pursue, and their outcome is uncertain. See "Legal Proceedings" for information regarding our proceeding with Qiagen.

Even if we prevail in such a proceeding, the remedy we obtain may not be commercially meaningful or adequately compensate us for any damages we may have suffered. If we do not prevail in such a proceeding, certain of our patents could potentially be declared to be invalid, unenforceable or narrowed in scope, or we could otherwise lose valuable intellectual property rights. Similar proceedings involving the intellectual property we license could also have an impact on our business. For example, the scope of one of the European patents that we license from Rutgers, The State University of New Jersey, was narrowed as a result of a third-party opposition proceeding before the European Patent Office. The decision is currently under appeal and the outcome of that appeal may adversely affect our competitive position. Further, if any of our other owned or licensed patents are declared invalid, unenforceable or narrowed in scope, our competitive position could be adversely affected.

In addition, our research, development and commercialization activities, including our T-SPOT.*TB* test, may infringe or be claimed to infringe patents or other intellectual property rights owned by other parties. Certain of our competitors and other companies have substantial patent portfolios, and may attempt to use patent litigation as a means to obtain a competitive advantage or to extract licensing revenue. The risks of being involved in such litigation may also increase as we gain greater visibility as a public company and as we gain commercial acceptance of our products and move into new markets and applications for our products. There may also be patents and patent applications that are relevant to our technologies or tests that we are not aware of. For example, certain relevant patent applications may have been filed but not published. If such patents exist, or if a patent issues on any of such patent applications, that patent could be asserted against us. In addition to patent infringement claims, we may also be subject to other claims relating to the violation of intellectual property rights, such as claims that we have misappropriated trade secrets or infringed third-party trademarks.

Regardless of merit or outcome, our involvement in any litigation, interference or other administrative proceedings could cause us to incur substantial expense and could significantly divert the efforts of our technical and management personnel. Any public announcements related to litigation or interference proceedings initiated or threatened against us could cause our share price to decline. An adverse determination, or any actions we take or agreements we enter into in order to resolve or avoid disputes, may subject us to the loss of our proprietary position or to significant liabilities, or require us to seek licenses that may include substantial cost and ongoing royalties. Licenses may not be available from third parties, or may not be obtainable on satisfactory terms. An adverse determination or a failure to obtain necessary licenses may restrict or prevent us from manufacturing and selling our products and offering our services. These outcomes could materially harm our business, financial condition and results of operations.

We may not be able to adequately protect our intellectual property outside of the United States.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the infringement of our licensed and owned patents. For example, we are aware that third parties, particularly in China, are currently selling TB diagnostic products that we believe are covered by certain patents we license. We do not know whether our licensor will take all necessary steps to enforce its patent rights in China or whether it will obtain effective relief to stop the sale of products that infringe on its patent rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business. Additionally, prosecuting and maintaining intellectual property (particularly patent) rights are very costly endeavors, and for these and other reasons we may not pursue or obtain patent protection in all major markets. We do not know whether legal and government fees will increase substantially and therefore are unable to predict whether cost may factor into our global intellectual property strategy.

In addition to the risks associated with patent rights, the laws in some foreign jurisdictions may not provide protection for our trade secrets and other intellectual property. If our trade secrets or other intellectual property are misappropriated in foreign jurisdictions, we may be without adequate remedies to address these issues. Additionally, we also rely on confidentiality and assignment of invention agreements to protect our intellectual property in foreign jurisdictions. These agreements may provide for contractual remedies in the event of misappropriation, but we do not know to what extent, if any, these agreements and any remedies for their breach, will be enforced by a foreign court. In the event our intellectual property is misappropriated or infringed upon and an adequate remedy is not available, our future prospects will likely diminish. The sale of products that infringe our intellectual property rights, particularly if such products are offered at a lower cost, could negatively impact our ability to achieve commercial success and may materially and adversely harm our business.

Our failure to secure trademark registrations could adversely affect our business and our ability to market our product and product candidates.

Our trademark applications in the United States and any other jurisdictions where we may file may not be allowed for registration, and our registered trademarks may not be maintained or enforced. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the PTO and in corresponding foreign agencies, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our applications and/or registrations, and our applications and/or registrations may not survive such proceedings. Failure to secure such trademark registrations in the United States and in foreign jurisdictions could adversely affect our business and our ability to market our product and product candidates.

Obtaining and maintaining our patent protection depends upon compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The PTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent prosecution process and following the issuance of a patent. There are situations in which noncompliance with these requirements can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case if our patent were in force.

We may be unable to adequately prevent disclosure of trade secrets and other proprietary information, or the misappropriation of the intellectual property we regard as our own.

We rely on trade secrets to protect our proprietary know-how and technological advances, particularly where we do not believe patent protection is appropriate or obtainable. Nevertheless, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, third-party collaborators and other advisors to protect our trade secrets and other proprietary information. These agreements generally require that the other party to the agreement keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Monitoring unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate. If we were to seek to pursue a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time consuming, and the outcome would be unpredictable. Further, courts outside the United States may be less willing to protect trade secrets. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. In addition, our trade secrets and proprietary information may be misappropriated as a result of breaches of our electronic or physical security systems in which case we may have no legal recourse. Failure to obtain, or maintain, trade secret protection could enable competitors to use our proprietary information to develop products that compete with our product or cause additional, material adverse effects upon our competitive business position.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the medical diagnostics industry, we employ individuals who were previously employed at other medical diagnostics companies, including our competitors or potential competitors. We may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Risks related to our ordinary shares.

We are eligible to be treated as an emerging growth company and we cannot be certain that the reduced disclosure requirements applicable to emerging growth companies will not make our ordinary shares less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, or JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We could be an emerging growth company for up to five years from the date of our initial public offering, or November 2018, although we could lose that status sooner if our gross revenues exceed $1.07 billion, if we issue more than $1.0 billion in non-convertible debt in a three-year period, or if we are deemed to be a "large accelerated filer" (the fiscal year-end on which the market value of our ordinary shares held by non-affiliates exceeded $700 million as of the end of the second quarter of such year), in which case we would no longer be an emerging growth company as of the following December 31.

We cannot predict if investors will find our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile.

Our share price may be volatile.

Like other early-stage medical diagnostic companies, the market price of our ordinary shares may be volatile. The factors below may also have a material adverse effect on the market price of our ordinary shares:

- fluctuations in our results of operations;
- our ability to enter new markets;
- negative publicity;
- changes in securities or industry analyst recommendations regarding our company, the sectors in which we operate, the securities market generally and conditions in the financial markets;
- regulatory developments affecting our industry;
- announcements of studies and reports relating to our products or those of our competitors;
- changes in economic performance or market valuations of our competitors;
- actual or anticipated fluctuations in our quarterly results;
- conditions in the industries in which we operate;
- announcements by us or our competitors of new products, acquisitions, strategic relations, joint ventures or capital commitments;
- additions to or departures of our key executives and employees;
- fluctuations of exchange rates;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares; and
- sales or perceived sales of additional shares of our ordinary shares.

In addition, the equity markets have recently experienced significant volatility, particularly with respect to the securities of life sciences companies. The volatility of the securities of life sciences companies often does not relate to the operating performance of those companies. As we operate in a single industry, we are especially vulnerable to these factors to the extent that they affect our industry or our products, or to a lesser extent our markets. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

We do not intend to pay cash dividends on our ordinary shares in the foreseeable future.

We have never paid dividends on ordinary shares and do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future. Under English law, any payment of dividends would be subject to relevant legislation and our articles of association, which provide that all dividends must be approved by our Board of Directors and, in some cases, our shareholders, and may only be paid from our distributable profits available for the purpose, determined on an unconsolidated basis.

Our executive officers, directors, and 5% or greater shareholders and management own a significant percentage of our ordinary shares and will be able to exercise significant influence over matters subject to shareholder approval.

Our executive officers, directors, and 5% or greater shareholders beneficially own a substantial percentage of our ordinary shares. For example, as of December 31, 2017, our executive officers, directors, and 5% or greater shareholders and their affiliates beneficially owned approximately 31% of our outstanding ordinary shares in the aggregate. We expect that these shareholders will be able to exert a significant degree of influence over our management and affairs and over matters requiring shareholder approval, including the election of our Board of Directors and approval of significant corporate transactions. This concentration of ownership could have the effect of entrenching our management and/or our Board of Directors, delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material and adverse effect on the fair market value of our ordinary shares.

We incur increased costs as a result of being a public company whose ordinary shares are publicly traded in the United States and our management must devote substantial time to public company compliance programs.

As a public company, we have incurred and will continue to incur significant legal, insurance, accounting and other expenses that we did not incur as a private company. We intend to continue to invest resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. Our insurance costs have increased, particularly for directors and officers liability insurance. Such costs may further increase in the future, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and remuneration committee, and qualified executive officers.

Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we are required to furnish a report by our management on our internal control over financial reporting, and, once we cease to be an emerging growth company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future.

Our ordinary shares are listed on The NASDAQ Global Market, but we cannot guarantee that we will be able to satisfy the continued listing standards going forward.

Although our ordinary shares are listed on The NASDAQ Global Market, we cannot ensure that we will be able to satisfy the continued listing standards of The NASDAQ Global Market going forward. If we cannot satisfy the continued listing standards going forward, The NASDAQ Stock Market may commence delisting procedures against us, which could result in our ordinary shares being removed from listing on The NASDAQ Global Market. If our ordinary shares were to be delisted, the liquidity of our ordinary shares could be adversely affected and the market price of our ordinary shares could decrease. Delisting could also adversely affect our shareholders' ability to trade or obtain quotations on our shares because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask price for our ordinary shares. You may also not be able to resell your shares at or above the price you paid for such shares or at all.

English law and provisions in our articles of association may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our shareholders, and may prevent attempts by our shareholders to replace or remove our current management.

Certain provisions of English law and our articles of association may have the effect of delaying or preventing a change in control of us or changes in our management. For example, English law and our articles of association include provisions that:

- create a classified Board of Directors whose members serve staggered three-year terms;
- prohibit shareholder action by written resolution;
- establish an advance notice procedure for shareholder approvals to be brought before an annual meeting of our shareholders, including proposed nominations of persons for election to our Board of Directors; and
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. See also "Provisions in the U.K. City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our shareholders."

Our holding company structure makes us dependent on the operations of our subsidiaries to meet our financial obligations.

We are a public limited company organized under the laws of England and Wales and have no significant assets other than our interest in Oxford Immunotec Limited and its subsidiaries. As a result, we rely exclusively upon payments, dividends and distributions from our direct and indirect subsidiaries for our cash flows. Our ability to pay dividends to our shareholders is dependent on the ability of our subsidiaries to generate sufficient net income and cash flows to pay upstream dividends and make loans or loan repayments. However, we have never paid dividends on ordinary shares and do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future.

Risks related to being an English company listing ordinary shares.

U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management.

We are incorporated under the laws of England and Wales. The rights of holders of our ordinary shares are governed by English law, including the provisions of the Companies Act 2006, and by our articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations organized in Delaware. Many of our directors and officers reside outside the United States, and a substantial portion of our assets and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may be difficult for you to serve legal process on us or our directors and executive officers or have any of them appear in a U.S. court. The United States and the United Kingdom do not currently have a treaty providing for the recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. The enforceability of any judgment of a U.S. federal or state court in the United Kingdom will depend on the laws and any treaties in effect at the time, including conflicts of laws principles (such as those bearing on the question of whether a U.K. court would recognize the basis on which a U.S. court had purported to exercise jurisdiction over a defendant). In this context, there is doubt as to the enforceability in the United Kingdom of civil liabilities based solely on the federal securities laws of the United States. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. An award for monetary damages under the U.S. securities laws would likely be considered punitive if it did not seek to compensate the claimant for loss or damage suffered and was intended to punish the defendant.

Provisions in the U.K. City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our shareholders.

The U.K. City Code on Takeovers and Mergers, or the Takeover Code, applies, among other things, to an offer for a public company whose registered office is in the United Kingdom (or the Channel Islands or the Isle of Man) and whose securities are not admitted to trading on a regulated market in the United Kingdom (or the Channel Islands or the Isle of Man) if the company is considered by the Panel on Takeovers and Mergers, or the Takeover Panel, to have its place of central management and control in the United Kingdom (or the Channel Islands or the Isle of Man). This is known as the "residency test." The test for central management and control under the Takeover Code is different from that used by the U.K. tax authorities. Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the United Kingdom by looking at various factors, including the structure of our Board of Directors, the functions of the directors and where they are resident.

If at the time of a takeover offer the Takeover Panel determines that we have our place of central management and control in the United Kingdom, we would be subject to a number of rules and restrictions, including but not limited to the following: (1) our ability to enter into deal protection arrangements with a bidder would be extremely limited; (2) we might not, without the approval of our shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (3) we would be obliged to provide equality of information to all bona fide competing bidders.

If we are a passive foreign investment company, U.S. investors in our ordinary shares could be subject to adverse U.S. federal income tax consequences.

The rules governing passive foreign investment companies, or PFICs, can have adverse effects for U.S. federal income tax purposes. The tests for determining PFIC status for a taxable year depend upon the relative values of certain categories of assets and the relative amounts of certain kinds of income. We do not believe that we are currently a PFIC, and we do not anticipate becoming a PFIC in the foreseeable future. Notwithstanding the foregoing, the determination of whether we are a PFIC depends on the particular facts and circumstances (such as the valuation of our assets, including goodwill and other intangible assets) and may also be affected by the application of the PFIC rules, which are subject to differing interpretations. The fair market value of our assets is expected to depend, in part, upon (a) the market price of our ordinary shares and (b) the composition of our income and assets, which will be affected by how, and how quickly, we spend any cash that is raised in any financing transaction. In light of the foregoing, no assurance can be provided that we are not currently a PFIC or that we will not become a PFIC in any future taxable year.

If we are a PFIC, U.S. holders of our ordinary shares would be subject to adverse U.S. federal income tax consequences, such as ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws and regulations. Whether or not U.S. holders of our ordinary shares make a timely qualified electing fund, or QEF, election or mark-to-market election may affect the U.S. federal income tax consequences to U.S. holders with respect to the acquisition, ownership and disposition of our ordinary shares and any distributions such U.S. holders may receive. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our ordinary shares.

U.S. holders of 10% or more of the voting power of our ordinary shares may be subject to U.S. federal income taxation at ordinary income tax rates on undistributed earnings and profits.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "U.S. Shareholders." For this purpose, a "U.S. Shareholder" is any U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares. If we are classified as a CFC, a U.S. Shareholder may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to "subpart F income" and may also be subject to tax at ordinary income tax rates on any gain realized on a sale of ordinary shares, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Shareholders of the ordinary shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our U.K. corporate headquarters and operations, including our laboratory facility, are located in Abingdon, England, where we currently lease approximately 2,100 square feet of laboratory space, 9,700 square feet of office space, 2,800 square feet of manufacturing space, and 6,400 square feet of storage/warehouse space. The leases on these facilities expire in 2019, 2020, and 2025. Our current rents under these leases are $370,000 annually for the office, $103,000 annually for the manufacturing space, $83,000 annually for the laboratory, and $72,000 annually for the storage/warehouse space, each of which are subject to change. In May 2017, the Company entered into an agreement to consolidate its U.K. office and laboratory facilities into a new building that is currently under construction. The lease for the new building is due to commence on June 1, 2018 and extends through June 1, 2033. Initial rent for the new building will be $40,000 per month, while the Company continues to occupy its existing facilities, including its laboratory space. When the leases on the Company's existing facilities have terminated in December 2020, or possibly sooner, and it fully occupies the new building, rent for the new building will increase to $80,000 per month. Rent will be reviewed for possible increases on June 1, 2021 and every third anniversary after that date.

Our U.S. corporate headquarters is located in Marlborough, Massachusetts. In August 2015, we entered into a lease amendment on this location to extend the term of the lease by two years through October 31, 2020. In addition, beginning in March 2016, the lease amendment expanded our office space at this location by 7,600 square feet to a new total of 22,100 square feet. The base rent for the combined space over the lease term will range from an initial low of $36,000 per month, which includes $12,000 per month for the expansion space commencing in early 2016, to a high of $39,000 per month. We will have an option to extend the lease for one additional term of five years. Our main U.S. laboratory facility is located in Memphis, Tennessee, where we currently lease approximately 35,000 square feet of space. The lease on this facility expires in 2021. Our current rent under this lease is $150,000 annually, subject to annual increases. The two laboratory facilities acquired in 2016 are located in Norwood and Boston, Massachusetts. We currently lease approximately 58,000 square feet of space in Norwood divided between two buildings. During 2018, we expect to consolidate our current facilities into a single building and reduce our space under lease to approximately 40,000 square feet. Our current lease expires in March 2023 and rent for our Norwood operations is approximately $975,000 and is subject to annual increases. We lease approximately 18,000 square feet in Boston, under a lease due to expire in July 2018. Our current rent under the Boston lease is $263,000 annually.

Item 3. Legal Proceedings

On August 10, 2015, Oxford Immunotec Limited, a wholly-owned subsidiary of Oxford Immunotec Global PLC, filed suit in the United States District Court for the District of Massachusetts against Qiagen N.V., Qiagen Inc., Quest Diagnostics LLC, and Laboratory Corporation of America Holdings alleging claims of patent infringement and seeking monetary and injunctive relief. The complaint alleged that the defendants' manufacture, sale and/or use of the QuantiFERON-TB Gold test infringes patents owned by Oxford Immunotec Limited.

On December 15, 2017, the Company reached a settlement in the lawsuit in the U.S. District Court for the District of Massachusetts in Boston (15-cv-13124-NMG) alleging patent infringement in relation to QIAGEN's QuantiFERON®-TB Gold and QuantiFERON®-TB Gold Plus products. Under terms of the agreement, all pending claims between the Company and QIAGEN and the co-defendants have been resolved. In connection with the settlement, the Company received a one-time, lump sum payment of $27.5 million from QIAGEN. As part of the settlement, the Company has granted QIAGEN a royalty-free, non-exclusive license that extends to all current and future customers of QuantiFERON-TB Gold and QuantiFERON-TB Gold Plus. The settlement includes general releases of all parties with no admissions of wrongdoing.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our ordinary shares trade on the NASDAQ Global Market under the symbol "OXFD." The price range per share reflected in the table below is the high and low sales prices of our ordinary shares as reported by NASDAQ (rounded to the nearest penny) for the periods presented.

	Year ended December 31, 2017		Year ended December 31, 2016	
	High	Low	High	Low
First quarter	$ 16.13	$ 12.96	$ 12.13	$ 8.45
Second quarter	16.90	13.53	11.91	8.50
Third quarter	19.51	14.35	12.99	7.73
Fourth quarter	17.20	12.19	15.18	11.88

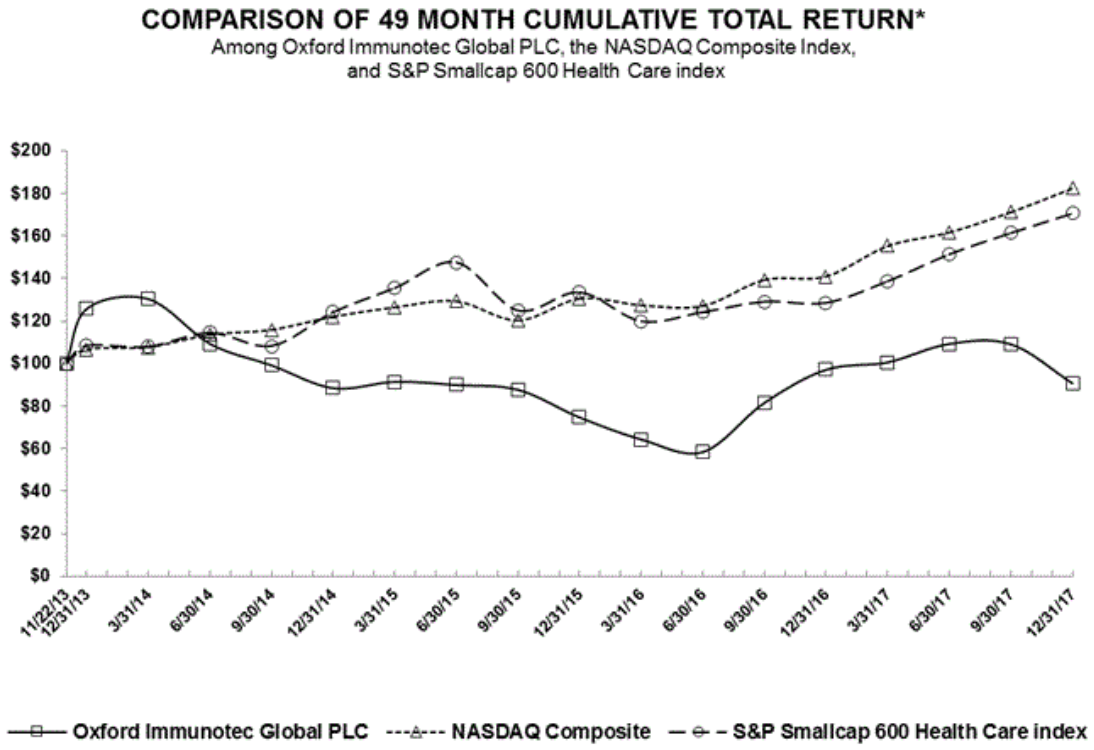
Shareholders

On February 1, 2018, there were 10 shareholders of record of our ordinary shares. This number does not include shareholders for whom shares were held in a "nominee" or "street" name. On February 20, 2018, the last reported sale price per share of our ordinary shares on The NASDAQ Global Market was $12.04.

Dividends

We have never declared or paid cash dividends on our ordinary shares. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends, if any, will be made at the discretion of our Board of Directors and will depend on then existing conditions, including our results of operations, financial conditions, contractual restrictions, capital requirements, business prospects and other factors our Board of Directors may deem relevant. Under English law, we may pay dividends only out of our accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less our accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries.

The following graph compares the cumulative total shareholder return on our ordinary shares with that of the NASDAQ Composite Index and the S&P Smallcap 600 Healthcare Index. The comparison assumes that $100.00 was invested at the close of market on November 22, 2013 in our ordinary shares or on October 31, 2013 in the NASDAQ Composite Index and the S&P Smallcap 600 Healthcare Index, and assumes reinvestment of dividends, if any. The performance graph is based on historical results and is not intended to suggest future performance.



This performance graph is being furnished pursuant to SEC rules and will not be incorporated by reference into any filing under the Securities Act or the Exchange Act except to the extent we specifically incorporate it by reference.

Item 6. Selected Consolidated Financial Data

The following selected consolidated financial data for the five years ended December 31, 2017 are derived from our consolidated financial statements.

On October 2, 2013, we completed a scheme of arrangement under the laws of England and Wales, or the Scheme of Arrangement, which was approved by the High Court of Justice in England and Wales. Prior to the Scheme of Arrangement, our business was conducted by Oxford Immunotec Limited and its consolidated subsidiaries. Following the Scheme of Arrangement, our business has been conducted by Oxford Immunotec Global PLC and its consolidated subsidiaries, including Oxford Immunotec Limited.

We have prepared the unaudited consolidated financial information presented below on the same basis as our audited consolidated financial statements. The unaudited consolidated financial information includes all adjustments, consisting only of normal recurring adjustments that are necessary for a fair presentation of our financial position and results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the following selected financial data together with "Management's discussion and analysis of financial condition and results of operations" and our financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. The selected financial data in this section are not intended to replace our financial statements and the accompanying notes.

	Year ended December 31,				
(in thousands, except share and per share data)	**2017 [1]**	**2016**	**2015**	**2014**	**2013 [2]**
Consolidated statement of operations data:					
Revenue	$ 103,080	$ 86,078	$ 62,782	$ 49,505	$ 38,784
Cost of revenue	46,731	39,472	29,544	24,009	18,600
Gross profit	56,349	46,606	33,238	25,496	20,184
Operating expenses:					
Research and development	16,701	13,881	10,381	6,961	2,146
Sales and marketing	38,016	34,964	30,402	25,487	13,270
General and administrative	30,366	23,181	16,010	14,837	12,119
Change in fair value of contingent purchase price consideration	(3,475)	(1,208)	202	72	—
Intangible assets impairment charges	18,300	1,765	419	—	—
Settlement expense	10,028	—	—	—	—
Total operating expenses	109,936	72,583	57,414	47,357	27,535
Loss from operations	(53,587)	(25,977)	(24,176)	(21,861)	(7,351)
Other income (expense)	22,336	(146)	(156)	(159)	(1,221)
Loss before income taxes	(31,251)	(26,123)	(24,332)	(22,020)	(8,572)
Income tax (expense) benefit	(1,634)	3,774	(146)	(154)	(92)
Net loss	$ (32,885)	$ (22,349)	$ (24,478)	$ (22,174)	$ (8,664)
Net loss per ordinary share—basic and diluted	$ (1.38)	$ (1.00)	$ (1.12)	$ (1.28)	$ (2.26)
Weighted-average shares used to compute net loss per ordinary share—basic and diluted	23,757,902	22,353,713	21,781,933	17,310,148	3,830,837
Supplemental financial metric:					
Adjusted EBITDA [3]	$ (20,003)	$ (18,469)	$ (18,167)	$ (17,664)	$ (6,008)

(1) Other income for 2017 includes a $27.5 million one-time, lump-sum payment for the settlement of a lawsuit. See Part I, Item 3. *Legal Proceedings* for further information.

(2) Net loss for 2013 includes $1.9 million of accounting and auditing costs related to our registration statement on Form S-1, filed in connection with our IPO.

(3) Adjusted EBITDA is a non-Generally Accepted Accounting Principles, or non-GAAP, financial measure that we calculate as net loss, adjusted for income tax expense (benefit), interest expense, net, depreciation and amortization of intangible assets, accretion and amortization of loan fees, share-based compensation expense, unrealized exchange losses (gains), loss on change in fair value of warrants, loss on change in fair value of derivative instrument, change in fair value of contingent purchase price consideration, intangible assets impairment charges, settlement expense and litigation settlement income. We believe that Adjusted EBITDA provides useful information to investors and analysts in understanding and evaluating our operating results in the same manner as our management and Board of Directors. Our presentation of Adjusted EBITDA is not made in accordance with U.S. GAAP, and our computation of Adjusted EBITDA may vary from others in the industry. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. For example, Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we consider not to be indicative of our ongoing operations.

	As of December 31,				
	2017	2016	2015	2014	2013
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 90,332	$ 59,110	$ 83,715	$ 50,165	$ 76,494
Total assets	144,236	124,012	109,852	73,849	92,744
Total liabilities	56,607	51,048	17,160	13,240	11,992
Total shareholders' equity	87,629	72,964	92,692	60,609	80,752
Ordinary shares outstanding	25,661,634	22,635,431	22,549,488	17,614,650	17,255,267

The following table presents a reconciliation of net loss, the most comparable U.S. GAAP measure, to EBITDA and Adjusted EBITDA for each of the periods indicated:

Reconciliation of net loss to Adjusted EBITDA [(1)]
(unaudited)

	Year Ended December 31,				
(in thousands)	2017	2016	2015	2014	2013
Reconciliation of net loss to adjusted EBITDA					
Net loss	$ (32,885)	$ (22,349)	$ (24,478)	$ (22,174)	$ (8,664)
Income tax expense (benefit)	1,634	(3,774)	146	154	92
Interest expense, net	2,535	864	67	52	328
Depreciation and amortization of intangible assets	4,240	3,094	2,142	1,742	1,101
Accretion and amortization of loan fees	570	—	—	—	—
EBITDA	(23,906)	(22,165)	(22,123)	(20,226)	(7,143)
Reconciling items:					
Share-based compensation expense	5,864	5,019	3,485	2,521	140
Unrealized exchange losses (gains)	686	(1,880)	(150)	(53)	155
Loss on change in fair value of warrants	—	—	—	22	279
Loss on change in fair value of derivative instrument	—	—	—	—	561
Change in fair value of contingent purchase price consideration	(3,475)	(1,208)	202	72	—
Intangible assets impairment charges	18,300	1,765	419	—	—
Settlement expense	10,028	—	—	—	—
Litigation settlement income	(27,500)	—	—	—	—
Adjusted EBITDA	$ (20,003)	$ (18,469)	$ (18,167)	$ (17,664)	$ (6,008)

(1) EBITDA and Adjusted EBITDA are non-GAAP measures that we calculate as net loss, adjusted for the impact of earnings or charges resulting from matters that we consider not to be indicative of our ongoing operations. We believe that these measures provide useful information to investors in understanding and evaluating our operating results in the same manner as our management and Board of Directors. Our presentation of these measures is not made in accordance with U.S. GAAP, and our computation of these measures may vary from others in the industry. Our use of these measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes to those statements included elsewhere in this Annual Report on Form 10-K. In addition to our historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs and expectations. Our actual results and the timing of events could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in Part I, Item 1A, "Risk Factors."

Overview

We are a global, high-growth diagnostics company focused on developing and commercializing proprietary tests for underserved immune-regulated conditions. Our focus is on four areas: infectious diseases, transplantation, autoimmune and inflammatory disease and immune-oncology. We believe these areas are particularly attractive 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 characterized by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorize patients and inform treatment pathways particularly useful and cost-effective. Lastly, we believe these conditions to be underserved as the industry lacks the appropriate techniques to prosecute the immune responses which are driving these conditions.

Our first product is our proprietary T-SPOT®.*TB* test, which is used to test for tuberculosis, or TB, infection and leverages our T-SPOT technology platform, which allows us to measure the response of specific immune cells to inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. 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 Food and Drug Administration, or FDA, in Europe, where we have obtained a CE mark, as well as in Japan and China. Interferon-gamma release assays, or IGRAs, such as our T-SPOT.*TB* test have been included in clinical guidelines for TB testing in over 30 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 [4], code that is unique to our test. Outside the United States, we have established reimbursement in several countries where reimbursement applies, including Japan, Switzerland, Germany, France and South Korea. We have also established the cost-effectiveness of our test in several published studies.

Our second product line is a range of assays for tick-borne diseases, such as Lyme disease. Tick-borne disease is the collective name for diseases passed to humans through the bite of an infected tick. The most prevalent and well known tick-borne disease is Lyme disease, but there are others such as anaplasmosis, ehrlichiosis, and babesiosis. If left unrecognised, and therefore untreated, they may go on to cause significant complications, including in rare cases death. Our tick-borne disease tests utilize molecular methods (such as polymerase chain reaction) and techniques to prosecute the immune system, and are widely reimbursed in the U.S. using existing codes on fee schedules. Our tests include multiple laboratory developed tests, or LDTs, which utilize unique methodologies offered from our Clinical and Laboratory Improvement Amendments, or CLIA, certified and College of American Pathologists, or CAP, accredited laboratory in Massachusetts and an FDA cleared test kit utilizing the C6 peptide, which is a marker specific to Lyme disease. Our C6 Lyme ELISA™ kit is also CE marked in the European Union.

Our third product line is a series of assays for use in screening blood for the parasite *Babesia microti* which causes babesiosis. Babesiosis is a tick-borne disease characterized by a wide spectrum of clinical manifestations that range from asymptomatic to severe acute or even fatal illness. The disease is generally mild to moderate in children and young healthy adults, but it is more severe in neonates, the elderly and immunocompromised individuals such as those undergoing treatment for cancer. While it is primarily transmitted through a tick bite, babesiosis can also be transmitted by blood transfusion. In fact, transfusion-transmitted babesiosis is responsible for the highest percentage (38%) of transfusion-related infectious fatalities reported to the FDA in transfusion recipients and *Babesia microti* is the highest ranking pathogen in the U.S. transmitted by blood transfusion for which no licensed donor screening is available. The transmission risk of *Babesia microti* is comparable to the transmission risk of HIV, HBV, and HCV prior to the implementation of routine blood screening programs for these pathogens. Screening of blood products for *Babesia microti*, therefore, has become a priority for the FDA. We are developing three assays for use in screening the U.S. blood supply for *Babesia microti*. We have submitted biologics license applications, or BLAs, for these three assays and they are currently under review by the FDA.

Our T-SPOT.*CMV* test is a part of our fourth product line focused on the transplantation market. The test utilizes our T-SPOT technology platform and is an LDT performed in our CLIA certified, CAP accredited laboratory in Tennessee. The T-SPOT.*CMV* test is also CE marked as a kit in the European Union. The T-SPOT.*CMV* test measures the strength of a patient's cellular immune response to antigens specific to cytomegalovirus, or CMV, and provides information that may be useful in informing management strategies of patients at risk of CMV infection and disease, such as transplant patients. We continue to take a measured approach to market introduction of this test as we await final results of our two pivotal clinical studies involving this test.

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

In addition to our existing product lines, we continue to pursue development programs to enhance our TB and tick-borne disease product offerings. Product development activities are inherently uncertain, and there can be no assurance that we will be able to obtain regulatory body clearance to market any of our products, or if we obtain clearances that we will successfully commercialize any of our products. In addition, we may terminate our development efforts with respect to one or more of our products under development at any time, including before or during clinical trials.

We have incurred significant losses from inception and as of December 31, 2017 had an accumulated deficit of $201.5 million. We anticipate that our operating losses will continue for the next few years as we continue to invest to grow our customer base and invest in research and development to expand our product portfolio. Our revenue for the year ended December 31, 2017 was $103.1 million, for the year ended December 31, 2016 was $86.1 million, and for the year ended December 31, 2015 was $62.8 million. Our net loss for the year ended December 31, 2017 was $32.9 million, for the year ended December 31, 2016 was $22.3 million, and for the year ended December 31, 2015 was $24.5 million.

Financial operations overview

Revenue

We generate revenue from sales associated with our T-SPOT technology platform via our direct sales force and also through distributors. Our T-SPOT.*TB* test is our first commercialized product based on this technology and accounted for $85.3 million of our revenue in 2017. We also generate revenue from sales of tick-borne disease and other tests via our direct sales force and also through distributors. During 2017, these tests accounted for revenue of $17.8 million.

Revenue mix

We currently offer our T-SPOT.*TB* test as both an *in vitro* diagnostic kit and a service. In the former, we sell test kits and associated accessories to distributors for resale and directly to institutions and laboratories that perform TB testing. In the latter, we have established clinical testing laboratories in the U.S. and the U.K., where we perform our T-SPOT.*TB* test on samples sent to us by customers. In these markets, we have found that many of our customers prefer to send samples to us rather than perform their own analysis on-site.

Our U.S. business derived 93%, 96% and 96% of its revenue from our service offerings, as opposed to kit sales, for the years ended December 31, 2017, 2016 and 2015, respectively. These results reflect our experience that U.S. customers prefer to send IGRA tests out for processing and analysis rather than run them in-house. For the majority of our U.S. customers in the hospital and public health segments, TB testing programs are funded primarily from institutional budgets. We receive payment from these customers according to our pre-negotiated prices. For other segments of the U.S. market (notably, for example, the physicians' office segment) third-party reimbursement is often available to cover the cost of our T-SPOT.*TB* test. In addition, U.S. results include revenue from our portfolio of tick-borne disease tests. For a portion of these tests, we receive payment from customers according to pre-negotiated rates. For other customers we seek third party reimbursement. U.S. results for 2017 also include revenue from our C6 Lyme ELISA kits, which is included in product revenue. Our C6 Lyme ELISA kits are sold to customers at pre-negotiated rates.

Outside the U.S., we derived 92%, 94% and 92% of our revenue from the sale of our *in vitro* diagnostic kits and associated accessories for the years ended December 31, 2017, 2016 and 2015, respectively. For the majority of our customers outside the U.S., we primarily negotiate pricing directly with our customers; our prices are influenced to some degree by the mechanism and level of funding our customers receive for performing tests for TB infection.

	Year ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
Revenue			
Product	$ 40,522	$ 36,430	$ 30,207
Service	62,558	49,648	32,575
Total revenue	$ 103,080	$ 86,078	$ 62,782

Revenue by indication

With the acquisitions of Imugen and Immunetics in the second half of 2016, we evolved from a single-product company to a multi-product company. By indication, total revenues were as summarized in the table below.

	Year ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
Revenue			
Tuberculosis	$ 85,281	$ 78,636	$ 62,782
Tick-borne disease and other	17,799	7,442	—
Total revenue	$ 103,080	$ 86,078	$ 62,782

Revenue by geography

We have a direct sales force in the U.S., certain European countries and Japan and market development personnel in China and South Korea. In parts of the world where we do not maintain a direct sales force, we market and sell our products through distributors. As a result, our revenue is denominated in multiple currencies.

The following table reflects revenue by geography (United States, Europe and rest of world, or Europe and ROW and Asia) and as a percentage of total revenue, based on the billing address of our customers.

	Year ended December 31,					
(in thousands, except percentages)	**2017**		**2016**		**2015**	
Revenue						
United States	$ 64,067	62%	$ 49,462	58%	$ 31,362	50%
Europe and ROW	8,136	8%	6,988	8%	7,067	11%
Asia	30,877	30%	29,628	34%	24,353	39%
Total revenue	$ 103,080	100%	$ 86,078	100%	$ 62,782	100%

Cost of revenue and operating expenses

Cost of revenue and gross margin

Cost of revenue consists of direct labor expenses, including employee benefits and share-based compensation expenses, overhead expenses, material costs, cost of laboratory supplies, freight costs, royalties paid under license agreements, depreciation of laboratory equipment and leasehold improvements and, in 2015, the U.S. medical device excise tax. The U.S. Consolidated Appropriations Act of 2016, signed into law on December 18, 2015, included a two year moratorium on the medical device excise tax imposed by Internal Revenue Code section 4191. Thus, the medical device excise tax did not apply to our U.S. sales during the period from January 1, 2016 through December 31, 2017. The Tax Cuts and Jobs Act of 2017, or the TCJA, that was signed into law in January 2018 included a further extension of the moratorium for the medical device excise tax through December 31, 2019.

We expect our overall cost of revenue to increase as we continue to increase our volume of kits manufactured and tests performed. However, we also believe that through these increased volumes, we can achieve certain efficiencies in our manufacturing and laboratory operations that could help maintain or improve our overall margins.

On June 30, 2017, we entered into a Release and Settlement Agreement, or the Settlement Agreement, with Statens Serum Institut, or SSI, to resolve outstanding disputes arising from the license agreement with SSI. The terms of the Settlement Agreement are confidential. Based on the Settlement Agreement, we no longer expect to pay royalties to SSI, which will improve future margins. On December 19, 2017, the Company amended its license agreement with Rutgers, The State University of New Jersey, which reduced our royalties due under the license. This agreement will further improve our future margins.

During the years ended December 31, 2017, 2016 and 2015, our cost of revenue represented 45%, 46% and 47%, respectively, of our total revenue.

	Year ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
Cost of revenue			
Product	$ 13,794	$ 13,956	$ 13,297
Service	32,937	25,516	16,247
Total cost of revenue	$ 46,731	$ 39,472	$ 29,544

Our gross profit represents total revenue less total cost of revenue, and gross margin is gross profit expressed as a percentage of total revenue. Our gross margins were 55%, 54% and 53%, respectively, for the years ended December 31, 2017, 2016 and 2015.

Research and development expenses

Our research and development efforts have historically focused on developing multiple new diagnostic tests that use our quantitative T cell measurement technology, including assays that may help transplant physicians better manage patients at risk of rejection and infection.

Our research and development activities include performing research, development, clinical and regulatory activities and validating improvements to our technology and processes for the purposes of enhancing product performance. Research and development expenses include personnel-related expenses, including share-based compensation, fees for contractual and consulting services, clinical trial costs, travel costs, laboratory supplies, amortization, depreciation, rent, insurance and repairs and maintenance. We expense all research and development costs as incurred.

During the years ended December 31, 2017, 2016 and 2015, our research and development expenses represented 16%, 16% and 17%, respectively, of our total revenue.

Sales and marketing expenses

Our sales and marketing expenses include costs associated with our sales organization, including our direct sales force and sales management, and our marketing, customer service and business development personnel. These expenses consist principally of salaries, commissions, bonuses and employee benefits for these personnel, including share-based compensation, as well as travel costs related to sales, marketing, customer service activities, medical education activities and overhead expenses. We expense all sales and marketing costs as incurred.

During the years ended December 31, 2017, 2016 and 2015, our sales and marketing expenses represented 37%, 41% and 49%, respectively, of our total revenue.

General and administrative expenses

Our general and administrative expenses include costs for our executive, accounting, treasury, finance, legal, information technology, or IT, and human resources functions. These expenses consist principally of salaries, bonuses and employee benefits for the personnel included in these functions, including share-based compensation and travel costs, professional services fees, such as consulting, audit, tax and legal fees, costs related to our Board of Directors, general corporate costs, overhead expenses, and bad debt expense. We expense all general and administrative expenses as incurred.

During the years ended December 31, 2017, 2016 and 2015, our general and administrative expenses represented 29%, 27% and 26%, respectively, of our total revenue.

Change in fair value of contingent purchase price consideration

During March 2017, as a result of events subsequent to the acquisition of Immunetics, we determined that the timing for FDA approval of the *Babesia microti* product acquired as part of the acquisition would be more likely to occur after the cut-off date for a milestone to be paid. As a result, we recorded a $2.4 million decrease in fair value of contingent purchase price consideration related to the acquisition. The total contingent purchase price consideration of $6.0 million consisted of cash payable on the achievement of certain revenue thresholds and pipeline related milestones over the following three years, including FDA approval of the *Babesia microti* product by a certain date. The fair value of these milestone payments had been estimated to be $3.4 million 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 4.4%. As FDA approval did not occur in the second quarter of 2017, the remaining accrual related to this milestone of $238,000 was written-off. In the third quarter of 2017, we determined there to be a remote chance that the revenue thresholds for 2017 would be met and so the remaining contingent consideration liability of $880,000 was written-off.

During the fourth quarter of 2016, we made the strategic decision to end our GoutiFind program. GoutiFind was a blood test designed to allow for early diagnosis of gout and better inform therapies by measuring the strength of the underlying uric acid induced inflammation. As a result of this decision, we wrote-off the related liability for contingent purchase price consideration in connection with the acquisition of Boulder Diagnostics, Inc., or Boulder, in the amount of $901,000. During the same quarter, we determined that the SpiroFind assay developed using IPR&D from Boulder would not qualify for future milestone payments. Due to this fact, we wrote-off the related contingent purchase price consideration liability of $551,000.

Intangible assets impairment charges

In the third quarter of 2017, due to increased competition in the molecular blood donor screening market for *Babesia microti*, we recorded an impairment charge of $11.1 million to write-off certain intangible assets acquired in conjunction with the 2016 acquisition of Imugen. Due to a mid-February complete response letter, or CRL, from FDA regarding the Company's fourth quarter 2017 submissions in relation to its BLA application for the Immunetics *Babesia microti* blood donor screening assay, the Company recorded an impairment charge of $7.2 million to write-off the related intangible assets.

During the fourth quarter of 2016, in conjunction with the strategic decision to end our GoutiFind program, we recorded a non-cash IPR&D impairment charge of $270,000. Also during the fourth quarter of 2016, we recorded a non-cash in-process research and development, or IPR&D, impairment charge of $1.4 million related to the SpiroFind assay when it was determined that the Boulder IPR&D will not directly yield any products.

Settlement expense

Settlement expense of $10.0 million, relates to the Settlement Agreement with SSI to resolve outstanding disputes arising from our previous license agreement. The terms of the Settlement Agreement are confidential.

Interest expense, net

Interest expense, net mainly relates to our October 4, 2016 agreement with MidCap Financial Trust, or the MidCap agreement, that provides us with $40 million in debt financing, comprised of both a term loan and a revolving line of credit. The MidCap agreement provides us with a term loan of $30 million, which matures five years from closing. The term loan accrues interest at a rate of LIBOR plus 7.60% with interest only payments for the first 24 months, with the ability to extend to 48 months subject to certain conditions, before the loan begins to amortize. The MidCap agreement also provides us with a revolving line of credit of up to $10 million, which matures five years from closing. The revolving line of credit accrues interest at a rate of LIBOR plus 4.45%. Based on certain conditions, both the term loan and revolving line of credit may be increased by an additional $10 million for a total of $60 million. To date, we have not borrowed under the revolving line of credit.

Foreign exchange (losses) gains

Foreign exchange (losses) gains largely result from U.S. Dollar denominated bank accounts, accounts receivable, and accounts payable reflected on the books of Oxford Immunotec Limited, which has a functional currency of the U.K. Pound Sterling. We are exposed to foreign exchange rate risk because we currently operate in three major regions of the world: the United States, Europe and ROW, and Asia, and our revenue is denominated in multiple currencies. Sales in the United States and China are denominated in U.S. Dollars. Sales in Europe are denominated primarily in the U.K. Pound Sterling and Euro. As we grow Europe and ROW sales outside the United Kingdom and the Euro Zone, we may be subject to risk from additional currencies. Sales in Japan are denominated in Yen and sales in South Korea are denominated in U.S. Dollars.

Other income (expense)

Other income (expense) includes interest expense, net, foreign exchange gains/(losses) and other income and expense items. In addition, in December 2017, the Company reached a settlement in a lawsuit in exchange for a one-time, lump-sum receipt of $27.5 million. The settlement included general releases of all parties with no admissions of wrongdoing.

Monetary assets and liabilities that are denominated in foreign currencies are remeasured at the period-end closing rate with resulting unrealized exchange fluctuations. Realized exchange fluctuations result from the settlement of transactions in currencies other than the functional currencies of our businesses. The functional currencies of our businesses are U.S. Dollars, Pounds Sterling, Euros, Japanese Yen and Chinese Yuan, depending on the entity.

Results of operations

Comparison of years ended December 31, 2017 and 2016

The following table sets forth, for the periods indicated, the amounts of certain components of our statements of operations and the percentage of total revenue represented by these items, showing period-to-period changes.

	Year ended December 31,					
	2017		2016		Change	
(in thousands, except percentages)	Amount	% of revenue	Amount	% of revenue	Amount	%
Revenue:						
Product	$ 40,522	39%	$ 36,430	42%	$ 4,092	11%
Service	62,558	61%	49,648	58%	12,910	26%
Total revenue	103,080	100%	86,078	100%	17,002	20%
Cost of revenue:						
Product	13,794	13%	13,956	16%	(162)	(1)%
Service	32,937	32%	25,516	30%	7,421	29%
Total cost of revenue	46,731	45%	39,472	46%	7,259	18%
Gross profit	56,349	55%	46,606	54%	9,743	21%
Operating expenses:						
Research and development	16,701	16%	13,881	16%	2,820	20%
Sales and marketing	38,016	37%	34,964	41%	3,052	9%
General and administrative	30,366	29%	23,181	27%	7,185	31%
Change in fair value of contingent purchase price consideration	(3,475)	(3)%	(1,208)	(1)%	(2,267)	188%
Intangible assets impairment charges	18,300	18%	1,765	2%	16,535	937%
Settlement expense	10,028	10%	—	0%	10,028	N/M
Total operating expenses	109,936	107%	72,583	84%	37,353	51%
Loss from operations	(53,587)	(52)%	(25,977)	(30)%	(27,610)	106%
Interest expense, net	(3,105)	(3)%	(864)	(1)%	(2,241)	259%
Foreign exchange (losses) gains	(1,850)	(2)%	1,364	2%	(3,214)	(236)%
Other expense	(209)	(0)%	(646)	(1)%	437	(68)%
Litigation settlement income	27,500	27%	—	0%	27,500	N/M
Loss before income taxes	(31,251)	(30)%	(26,123)	(30)%	(5,128)	20%
Income tax (expense) benefit	(1,634)	(2)%	3,774	4%	(5,408)	(143)%
Net loss	$ (32,885)	(32)%	$ (22,349)	(26)%	$ (10,536)	47%

Revenue

Revenue increased by 20% to $103.1 million for the year ended December 31, 2017 compared to $86.1 million for the same period in 2016. This increase in revenue was due to an increase in volumes across all regions where we sell our T-SPOT.*TB* test, as well as higher revenue from our portfolio of tick-borne disease tests.

U.S. revenue grew by 30%, to $64.1 million for the year ended December 31, 2017, compared to the same period in 2016, driven largely by tick-borne disease and other revenue of $17.5 million in 2017, compared to $7.4 million in 2016.

Asia revenue, including revenue from our sales office in South Korea that opened in 2017, grew by 4%, to $30.9 million, compared to the same period in 2016, due primarily to an increase in volumes that led to higher revenue. On a non-Generally Accepted Accounting Principles, or non-GAAP, constant currency basis, revenue for Asia would have increased by 6%. Europe and ROW revenue increased by 16% to $8.1 million, compared to the same period in 2016. On a non-GAAP constant currency basis, Europe and ROW revenue would have increased by 17% in 2017 compared to 2016.

Changes in revenue include the impact of changes in foreign currency exchange rates. We use the non-GAAP financial measure “constant currency basis” in our filings to show changes in our revenue without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, revenues received in local (non-U.S. Dollar) currencies are translated into U.S. Dollars at the average exchange rate for the period presented. When we use the term “constant currency basis”, it means that we have translated local currency revenues for the prior reporting period into U.S. Dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. Dollars that we used to translate local currency revenues for the comparable reporting period of the current year. We then calculate the change, as a percentage, from the prior period revenues using the current period exchange rates versus the current period revenues. This resulting percentage is a non-GAAP measure referring to a change as a percentage on a “constant currency basis”. We consider the use of a period over period revenue comparison on a constant currency basis to be helpful to investors, as it provides a revenue growth measure free of positive or negative volatility due to currency fluctuations.

By revenue type, total revenues were:

	Year ended December 31,		Change	
(in thousands, except percentages)	**2017**	**2016**	**Amount**	**%**
Revenue				
Product	$ 40,522	$ 36,430	$ 4,092	11%
Service	62,558	49,648	12,910	26%
Total revenue	$ 103,080	$ 86,078	$ 17,002	20%

By indication, total revenues were:

	Year ended December 31,		Change	
(in thousands, except percentages)	**2017**	**2016**	**Amount**	**%**
Revenue				
Tuberculosis	$ 85,281	$ 78,636	$ 6,645	8%
Tick-borne disease and other	17,799	7,442	10,357	139%
Total revenue	$ 103,080	$ 86,078	$ 17,002	20%

By geography, total revenues were:

	Year ended December 31,		Change	
(in thousands, except percentages)	**2017**	**2016**	**Amount**	**%**
Revenue				
United States	$ 64,067	$ 49,462	$ 14,605	30%
Europe and ROW	8,136	6,988	1,148	16%
Asia	30,877	29,628	1,249	4%
Total revenue	$ 103,080	$ 86,078	$ 17,002	20%

Cost of revenue and gross margin

Cost of revenue increased by 18% to $46.7 million for the year ended December 31, 2017 from $39.5 million in the same period in 2016. Gross margin for 2017 increased to 55% from 54% for 2016. The increase in gross margin reflects the impact of improved accessory margins and lower royalty expenses due to the SSI settlement.

(in thousands, except percentages)	Year ended December 31, 2017	Year ended December 31, 2016	Change Amount	Change %
Cost of revenue				
Product	$ 13,794	$ 13,956	$ (162)	(1) %
Service	32,937	25,516	7,421	29%
Total cost of revenue	$ 46,731	$ 39,472	$ 7,259	18%

Research and development expenses

Research and development expenses increased by 20% to $16.7 million for the year ended December 31, 2017 from $13.9 million for the same period in 2016. The increase largely related to salary and other employee related expenses, which increased $2.6 million in the year ended December 31, 2017 compared to the same period in 2016. In addition, depreciation and amortization increased $536,000 and consulting costs increased $474,000. The increases were largely driven by our efforts in developing three assays for use in screening the U.S. blood supply for *Babesia microti*. Due to a mid-February CRL from FDA regarding the Company's fourth quarter 2017 submissions in relation to its BLA for the Immunetics *Babesia microti* blood donor screening assay, the Company recorded an impairment charge of $7.2 million (discussed below) to write-off the related intangible assets. These increases were partially offset by the cost of clinical studies, which decreased $1.4 million. As a percentage of total revenue, research and development expenses were essentially flat for the years ended December 31, 2017 and 2016 at about 16% for both periods.

Sales and marketing expenses

Sales and marketing expenses increased 9% to $38.0 million for the year ended December 31, 2017 from $35.0 million for the same period in 2016. The increase primarily related to salary and other employee related expenses, which increased $2.9 million in the year ended December 31, 2017 compared to the same period in 2016. The increase reflects an increase in sales personnel and in personnel-related costs for commissions on increased sales and for hiring of sales and marketing personnel. In addition, consulting costs increased $384,000. These increases were partially offset by a $625,000 decrease in marketing program costs. As a percentage of total revenue, sales and marketing expenses decreased to 37% for the year ended December 31, 2017 from 41% for the same period in 2016.

General and administrative expenses

General and administrative expenses increased by 31% to $30.4 million for the year ended December 31, 2017 from $23.2 million for the same period in 2016. The increase in general and administrative expenses included increases of $3.9 million in legal and professional fees, largely related to patent litigation, and $1.5 million in salary and other employee related expenses, as well as increases in property costs of $628,000 and depreciation and amortization of $358,000. As a percentage of total revenue, general and administrative expenses increased to 29% for the year ended December 31, 2017 from 27% for the same period in 2016.

Change in fair value of contingent purchase price consideration

During March 2017, as a result of events subsequent to the acquisition of Immunetics, we determined that the timing for FDA approval of the *Babesia microti* product acquired as part of the acquisition would be more likely to occur after the cut-off date for a milestone to be paid. As a result, we recorded a $2.4 million decrease in fair value of contingent purchase price consideration related to the acquisition. The total contingent purchase price consideration of $6.0 million consisted of cash payable on the achievement of certain revenue thresholds and pipeline related milestones over the following three years, including FDA approval of the *Babesia microti* product by a certain date. The fair value of these milestone payments had been estimated to be $3.4 million 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 4.4%. As FDA approval did not occur in the second quarter of 2017, the remaining accrual related to this milestone of $238,000 was written-off at that time. In the third quarter of 2017, we determined there to be a remote chance that the revenue thresholds for 2017 would be met and so the remaining contingent consideration liability of $880,000 was written-off.

During the fourth quarter of 2016, we made the strategic decision to end our GoutiFind program. GoutiFind was a blood test designed to allow for early diagnosis of gout and to better inform therapies by measuring the strength of underlying uric acid induced inflammation. As a result of this decision, we wrote-off the related liability for contingent purchase price consideration in connection with the Boulder acquisition in the amount of $901,000. During the same quarter, we determined that the SpiroFind assay developed using IPR&D from Boulder would not qualify for future milestone payments. Due to this fact, we wrote-off the related liability for contingent purchase price consideration of $551,000. The combined credit of $1.5 million was partially offset by a charge of $244,000 related to the change in the fair value of contingent purchase price consideration related to the Boulder and Immunetics acquisitions.

Intangible assets impairment charges

In the third quarter of 2017, due to increased competition in the molecular blood donor screening market for *Babesia microti*, we recorded an impairment charge of $11.1 million to write-off certain intangible assets acquired in conjunction with the 2016 acquisition of Imugen. Due to a mid-February CRL from FDA regarding the Company's fourth quarter 2017 submissions in relation to its BLA for the Immunetics *Babesia microti* blood donor screening assay, the Company recorded an impairment charge of $7.2 million to write-off the related intangible assets.

During the fourth quarter of 2016, in conjunction with the strategic decision to end our GoutiFind program, we recorded a non-cash IPR&D impairment charge of $270,000. Also during the fourth quarter of 2016, we recorded a non-cash IPR&D impairment charge of $1.4 million related to the SpiroFind assay when it was determined that the Boulder IPR&D will not directly yield any products. In 2015, we recorded a non-cash IPR&D impairment charge mainly related to the timeline for the development of an assay to inform decisions regarding biologic therapies that was acquired as part of the Boulder acquisition that was changed due to delays in the completion of research studies. Based upon the changed timeline and the resulting impact on fair value, we recorded a non-cash IPR&D impairment charge of $385,000.

Settlement expense

Settlement expense relates to the Settlement Agreement with SSI to resolve outstanding disputes arising from our previous license agreement. The terms of the Settlement Agreement are confidential.

Interest expense, net

Interest expense, net was $3.1 million for the year ended December 31, 2017, compared to $864,000 in the same period in 2016. The increase in interest expense in 2017 mainly related to the Midcap agreement that provided us with $40 million in debt financing, comprised of both a term loan and a revolving line of credit. The MidCap agreement that provided a term loan of $30 million, which matures five years from closing. The term loan accrues interest at a rate of LIBOR plus 7.60% with interest only payments for the first 24 months, with the ability to extend to 48 months subject to certain conditions, before the loan begins to amortize. The MidCap agreement also provides a revolving line of credit of up to $10 million, which matures five years from closing. The revolving line of credit accrues interest at a rate of LIBOR plus 4.45%. Based on certain conditions, both the term loan and revolving line of credit could be increased by an additional $10 million for a total of $60 million. To date, we have not borrowed under the revolving line of credit.

Foreign exchange (losses) gains

We recorded foreign exchange losses of $1.9 million for the year ended December 31, 2017, substantially all as a net result of U.S. Dollar denominated bank accounts, accounts receivable and accounts payable reflected on the books of Oxford Immunotec Limited, which has a functional currency of the U.K. Pound Sterling. For the year ended December 31, 2016, we recorded foreign exchange gains of $1.4 million. We are exposed to foreign exchange rate risk because we currently operate in three major regions of the world: the United States, Europe and ROW and Asia, and our revenue is denominated in multiple currencies. Approximately 62% of our sales for 2017 were in the United States, which are denominated in U.S. Dollars. Sales in China are also denominated in U.S. Dollars. Sales in Europe are denominated primarily in the U.K. Pound Sterling and the Euro. As we grow Europe and ROW sales outside the United Kingdom and the Euro Zone, we may be subject to risk from additional currencies. Sales in Japan are denominated in Yen and sales in South Korea are denominated in U.S. Dollars.

Our expenses are generally denominated in the currencies in which our operations are located, which are primarily in the United States, the United Kingdom, Japan, Europe, China and South Korea.

As we continue to grow our business outside the United States, 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.

Other expense

Other expense was $209,000 for the year ended December 31, 2017, compared to $646,000 in the same period in 2016, which included a fixed asset impairment charge of $306,000.

Litigation settlement income

In December 2017, the Company reached a settlement in a lawsuit in exchange for a one-time, lump-sum receipt of $27.5 million. The settlement included general releases of all parties with no admissions of wrongdoing.

Comparison of years ended December 31, 2016 and 2015

The following table sets forth, for the periods indicated, the amounts of certain components of our statements of operations and the percentage of total revenue represented by these items, showing period-to-period changes.

	Year ended December 31,					
	2016		2015		Change	
(in thousands, except percentages)	Amount	% of revenue	Amount	% of revenue	Amount	%
Revenue:						
Product	$ 36,430	42%	$ 30,207	48%	$ 6,223	21%
Service	49,648	58%	32,575	52%	17,073	52%
Total revenue	86,078	100%	62,782	100%	23,296	37%
Cost of revenue:						
Product	13,956	16%	13,297	21%	659	5%
Service	25,516	30%	16,247	26%	9,269	57%
Total cost of revenue	39,472	46%	29,544	47%	9,928	34%
Gross profit	46,606	54%	33,238	53%	13,368	40%
Operating expenses:						
Research and development	13,881	16%	10,381	17%	3,500	34%
Sales and marketing	34,964	41%	30,402	48%	4,562	15%
General and administrative	23,181	27%	16,010	26%	7,171	45%
Change in fair value of contingent purchase price consideration	(1,208)	(1)%	202	0%	(1,410)	(698)%
Intangible assets impairment charges	1,765	2%	419	1%	1,346	321%
Total operating expenses	72,583	84%	57,414	91%	15,169	26%
Loss from operations	(25,977)	(30)%	(24,176)	(39)%	(1,801)	7%
Interest expense, net	(864)	(1)%	(67)	(0)%	(797)	1,190%
Foreign exchange gains (losses)	1,364	2%	(143)	(0)%	1,507	(1,054)%
Other (expense) income	(646)	(1)%	54	0%	(700)	(1,296)%
Loss before income taxes	(26,123)	(30)%	(24,332)	(39)%	(1,791)	7%
Income tax benefit (expense)	3,774	4%	(146)	(0)%	3,920	(2,685)%
Net loss	$ (22,349)	(26)%	$ (24,478)	(39)%	$ 2,129	(9)%

Revenue

Revenue increased by 37% to $86.1 million for the year ended December 31, 2016 compared to $62.8 million for the same period in 2015. This increase in revenue was due to an increase in volumes across all regions where we sell our T-SPOT.*TB* tests and to the addition of our tick-borne disease tests.

U.S. revenue grew by 58%, to $49.5 million for the year ended December 31, 2016, compared to the same period in 2015, driven by T-SPOT.*TB* test growth of $5.8 million from the addition of new customers and $4.9 million from existing customers. In addition, revenue for the year ended December 31, 2016 included tick-borne and other revenue of $7.4 million.

Asia revenue grew by 22%, to $29.6 million, compared to the same period in 2015, due primarily to an increase in volumes that led to higher revenue in Japan and China. On a non-Generally Accepted Accounting Principles, or non-GAAP, constant currency basis, revenue for Asia would have increased by 15%. Europe and ROW revenue decreased by 1%, to $7.0 million, compared to the same period in 2015, due primarily to changes in currency rates. On a non-GAAP constant currency basis, Europe and ROW revenue would have increased by 5% in 2016 compared to 2015.

By revenue type, total revenues were:

(in thousands, except percentages)	Year ended December 31, 2016	2015	Change Amount	%
Revenue				
Product	$ 36,430	$ 30,207	$ 6,223	21%
Service	49,648	32,575	17,073	52%
Total revenue	$ 86,078	$ 62,782	$ 23,296	37%

By indication, total revenues were:

(in thousands, except percentages)	Year ended December 31, 2016	2015	Change Amount	%
Revenue				
Tuberculosis	$ 78,636	$ 62,782	$ 15,854	25%
Tick-borne disease and other	7,442	—	7,442	N/M
Total revenue	$ 86,078	$ 62,782	$ 23,296	37%

By geography, total revenues were:

(in thousands, except percentages)	Year ended December 31, 2016	2015	Change Amount	%
Revenue				
United States	$ 49,462	$ 31,362	$ 18,100	58%
Europe and ROW	6,988	7,067	(79)	(1)%
Asia	29,628	24,353	5,275	22%
Total revenue	$ 86,078	$ 62,782	$ 23,296	37%

Cost of revenue and gross margin

Cost of revenue increased by 34% to 39.5 million for the year ended December 31, 2016 from $29.5 million in the same period in 2015. This increase in cost of revenue was due to the 25% increase in the volume of kits sold and a 33% increase in the volume of TB tests performed by our laboratory in the United States. In addition, U.S. cost of revenue for the year ended December 31, 2016 included $4.1 million of cost of revenue from testing for tick-borne diseases. Gross margin for 2016 increased to 54% from 53% for 2015. The gross margin improvement was attributable to a reduction in material costs per test and efficiency gains from increased volume in our manufacturing operations and service laboratories, partially offset by increased labor costs and lower margin on tick-borne testing.

(in thousands, except percentages)	Year ended December 31, 2016	2015	Change Amount	%
Cost of revenue				
Product	$ 13,956	$ 13,297	$ 659	5%
Service	25,516	16,247	9,269	57%
Total cost of revenue	$ 39,472	$ 29,544	$ 9,928	34%

Research and development expenses

Research and development expenses increased by 34% to $13.9 million for the year ended December 31, 2016 from $10.4 million for the same period in 2015. Salary and other employee related expenses increased $1.7 million. In addition, clinical studies costs increased $1.5 million in the year ended December 31, 2016 compared to the same period in 2015 and primarily related to the cost of clinical studies related to our transplant programs. As a percentage of total revenue, research and development expenses decreased to 16% for the year ended December 31, 2016 from 17% for the same period in 2015.

Sales and marketing expenses

Sales and marketing expenses increased 15% to $35.0 million for the year ended December 31, 2016 from $30.4 million for the same period in 2015. The increase largely resulted from salary and other employee related expenses, which increased $4.2 million in the year ended December 31, 2016 compared to the same period in 2015. The increase reflects an increase in sales personnel and in personnel-related costs for commissions on increased sales. As a percentage of total revenue, sales and marketing expenses decreased to 41% for the year ended December 31, 2016 from 48% for the same period in 2015.

General and administrative expenses

General and administrative expenses increased by 45% to $23.2 million for the year ended December 31, 2016 from $16.0 million for the same period in 2015. The increase in general and administrative expenses included increases of $3.6 million in salary and other employee related expenses, $2.5 million in professional fees and $461,000 for improvements in our information technology infrastructure. As a percentage of total revenue, general and administrative expenses increased to 27% for the year ended December 31, 2016 from 26% for the same period in 2015.

Change in fair value of contingent purchase price consideration

During the fourth quarter of 2016, we made the strategic decision to end our GoutiFind program. GoutiFind was a blood test designed to allow for early diagnosis of gout and to better inform therapies by measuring the strength of underlying uric acid induced inflammation. As a result of this decision, we wrote-off the related liability for contingent purchase price consideration in connection with the Boulder acquisition in the amount of $901,000. During the same quarter, we determined that the SpiroFind assay developed using IPR&D from Boulder would not qualify for future milestone payments. Due to this fact, we wrote-off the related liability for contingent purchase price consideration of $551,000. The combined credit of $1.5 million was partially offset by a charge of $244,000 related to the change in the fair value of contingent purchase price consideration related to the Boulder and Immunetics acquisitions.

Intangible assets impairment charges

During the fourth quarter of 2016, in conjunction with the strategic decision to end our GoutiFind program, we recorded a non-cash IPR&D impairment charge of $270,000. Also during the fourth quarter of 2016, we recorded a non-cash IPR&D impairment charge of $1.4 million related to the SpiroFind assay when it was determined that the Boulder IPR&D will not directly yield any products. The charge in 2015 mainly related to the timeline for the development of an assay to inform decisions regarding biologic therapies that was acquired as part of the Boulder acquisition that was changed due to delays in the completion of research studies. Based upon the changed timeline and the resulting impact on fair value, we recorded a non-cash IPR&D impairment charge of $385,000.

Interest expense, net

Interest expense, net was $864,000 for the year ended December 31, 2016, compared to $67,000 in the same period in 2015. The increase in interest expense, net in 2016 mainly related to the MidCap agreement.

Foreign exchange gains (losses)

We recorded foreign exchange gains of $1.4 million for the year ended December 31, 2016, substantially all as a net result of U.S. Dollar denominated bank accounts, accounts receivable and accounts payable reflected on the books of Oxford Immunotec Limited, which has a functional currency of the U.K. Pound Sterling. For the year ended December 31, 2015, we recorded foreign exchange losses of $143,000, as a net result of the U.S. Dollar denominated bank accounts, accounts receivable and accounts payable reflected on the books of Oxford Immunotec Limited.

Other (expense) income

Other (expense) income was expense of $646,000 for the year ended December 31, 2016, which included a fixed asset impairment charge of $306,000, compared to income of $54,000 in the same period in 2015.

Liquidity and capital resources

Sources of funds

Since our inception, we have incurred significant net losses and negative cash flows from operations. For the year ended December 31, 2017 we had a net loss of $32.9 million and used $3.6 million of cash for operating activities. As of December 31, 2017, we had an accumulated deficit of $201.5 million. We incurred a net loss of $22.3 million and used $21.9 million of cash for operating activities for the year ended December 31, 2016.

As noted above, on October 4, 2016, we entered into a credit agreement with MidCap Financial Trust. The credit agreement consisted of a 60 month, $30 million term loan and a $10 million revolving line of credit, both of which mature on September 30, 2021. The availability of funds under the revolving line of credit is based upon the Company's eligible accounts receivable and eligible inventory. In accordance with the terms of the revolving line of credit, the Company is required to maintain a minimum drawn balance of no less than 30% of availability. Based on certain conditions, both the term loan and revolving line of credit may be increased by an additional $10 million for a total of $60 million. To date, we have not borrowed under the revolving line of credit.

The term loan accrues interest at a rate of LIBOR plus 7.60% with interest only payments for the first 24 months, with the ability to extend to 48 months subject to certain conditions, before the loan begins to amortize. The Company has the intention and ability to extend the interest only period by at least six months.

On August 14, 2017, we entered into an underwriting agreement, or the Underwriting Agreement, with BTIG, LLC, as sole underwriter, or the Underwriter, relating to the issuance and sale of 2,500,000 ordinary shares, nominal value £0.006705 per share, or the Ordinary Shares, at a price to the public of $16.05 per share, or the Offering, which resulted in approximately $39.3 million of net proceeds to us after deducting underwriting discounts and estimated offering expenses. The Offering closed on August 18, 2017.

As of December 31, 2017, we had cash and cash equivalents of $90.3 million. We maintain our available cash balances in cash, money market funds and repurchase agreements primarily invested in U.S. government and agency securities, and bank savings accounts in the United States, United Kingdom, Germany, Japan, China and South Korea. Essentially all our cash is in the U.S. and the U.K.

Settlement agreement

Pursuant to the terms of the Settlement Agreement, we will be required to make future payments to SSI. The terms of the Settlement Agreement are confidential.

Summary of cash flows

The following table summarizes our cash and cash equivalents, accounts receivable and cash flows for the periods indicated:

	As of and for the years ended December 31,	
(in thousands)	**2017**	**2016**
Cash and cash equivalents, excluding restricted cash	$ 90,332	$ 59,110
Accounts receivable, net	16,981	13,265
Net cash used in operating activities	$ (3,586)	$ (21,921)
Net cash used in investing activities	(5,029)	(30,018)
Net cash provided by financing activities	39,386	29,114
Effect of exchange rate changes on cash and cash equivalents	451	(1,780)
Net increase (decrease) in cash and cash equivalents, excluding restricted cash	$ 31,222	$ (24,605)

Cash flows for the years ended December 31, 2017 and 2016

Operating activities

Net cash used in operating activities was $3.6 million during the year ended December 31, 2017, which included a net loss of $32.9 million, net non-cash expenses of $27.4 million and cash provided by changes in operating assets and liabilities of $1.9 million. The non-cash items consisted of intangible assets impairments charges of $18.3 million, share-based compensation expense of $5.9 million, depreciation and amortization expense of $4.2 million, a decrease in deferred tax assets of $1.6 million, and accretion and amortization of loan fees expense of $570,000. Partially offsetting these charges was a credit for the change in fair value of contingent purchase price consideration of $3.5 million. The cash from changes in operating assets and liabilities included an increase in accounts payable and accrued liabilities of $4.3 million and an increase in other liabilities of $3.7 million, partially offset by an increase in accounts receivable of $3.3 million and an increase in inventory of $2.3 million. The increase in accounts payable and accrued liabilities reflects the timing of certain payments. The increase in other liabilities is mainly due to the long-term portion of the settlement with SSI. The increase in accounts receivable reflects growing sales. Inventory increased due to timing.

Net cash used in operating activities was $21.9 million during the year ended December 31, 2016, which included a net loss of $22.3 million and cash used for changes in operating assets less liabilities of $8.2 million, partially offset by net non-cash items of $8.7 million. The cash used for changes in operating assets and liabilities included an increase in accounts receivable, net of $6.5 million, an increase in prepaid expenses and other assets of $2.9 million, a decrease in deferred income of $1.7 million, a decrease in accounts payable of $1.1 million and an increase in inventory, net of $0.7 million, partially offset by a $4.8 million increase in accrued liabilities. The increase in accounts receivable, net reflects growing revenue during the year ended December 31, 2016 due to higher sales volumes, as well as the Imugen and Immunetics acquisitions. The increase in prepaid expenses and other assets largely reflects the timing of certain payments. The decrease in deferred income primarily related to a change in the process used to determine pricing for certain sales to customers in Japan that has resulted in those sales being recorded upon shipment. The decrease in accounts payable was largely due to the timing of payments. The increase in inventory, net was largely due to timing. The increase in accrued liabilities reflects the timing of certain payments. The non-cash items consisted of share-based compensation expense of $5.0 million, depreciation and amortization expense of $3.1 million, an intangible assets impairment charge of $1.8 million mainly related to IPR&D acquired from Boulder and the change in fair value of contingent purchase price consideration of $244,000. These expenses were partially offset by a $1.5 million write-off of contingent purchase price consideration, which included $901,000 from the strategic decision to end our GoutiFind program and $551,000 from the determination that the SpiroFind assay would not qualify for future milestone payments.

Investing activities

Net cash used in investing activities was $5.0 million and $30.0 million for the years ended December 31, 2017 and 2016, respectively. The cash used in 2017 consisted of purchases of property and equipment. The cash used in 2016 consisted largely of a net $27.5 million used to finance the acquisitions of Imugen and Immunetics and $2.4 million used for purchases of property and equipment.

Financing activities

Net cash provided by financing activities was $39.4 million during the year ended December 31, 2017, which mainly reflects the Offering, which resulted in approximately $39.3 million of net proceeds to us after deducting underwriting discounts and offering expenses. The Offering closed on August 18, 2017.

Net cash provided by financing activities was $29.1 million during the year ended December 31, 2016, which mainly reflects the $30 million MidCap borrowing, net of related discount and debt issuance costs.

Cash flows for the years ended December 31, 2016 and 2015

Operating activities

Net cash used in operating activities was $21.9 million during the year ended December 31, 2016, which included a net loss of $22.3 million and cash used for changes in operating assets less liabilities of $8.2 million, partially offset by net non-cash items of $8.7 million. The cash used for changes in operating assets and liabilities included an increase in accounts receivable, net of $6.5 million, an increase in prepaid expenses and other assets of $2.9 million, a decrease in deferred income of $1.7 million, a decrease in accounts payable of $1.1 million and an increase in inventory, net of $0.7 million, partially offset by a $4.8 million increase in accrued liabilities. The increase in accounts receivable, net reflects growing revenue during the year ended December 31, 2016 due to higher sales volumes, as well as the Imugen and Immunetics acquisitions. The increase in prepaid expenses and other assets largely reflects the timing of certain payments. The decrease in deferred income primarily related to a change in the process used to determine pricing for certain sales to customers in Japan that has resulted in those sales being recorded upon shipment. The decrease in accounts payable was largely due to the timing of payments. The increase in inventory, net was largely due to timing. The increase in accrued liabilities reflects the timing of certain payments. The non-cash items consisted of share-based compensation expense of $5.0 million, depreciation and amortization expense of $3.1 million, an intangible assets impairment charge of $1.8 million mainly related to IPR&D acquired from Boulder and the change in fair value of contingent purchase price consideration of $244,000. These expenses were partially offset by a $1.5 million write-off of contingent purchase price consideration, which included $901,000 from the strategic decision to end our GoutiFind program and $551,000 from the determination that the SpiroFind assay would not qualify for future milestone payments.

Net cash used in operating activities was $16.5 million during the year ended December 31, 2015, which included a net loss of $24.5 million, non-cash items of $6.3 million and cash provided by changes in operating assets less liabilities of $1.6 million. The non-cash items consisted of share-based compensation expense of $3.5 million, depreciation and amortization expense of $2.1 million, intangible assets impairment charges of $419,000, consisting largely of an IPR&D impairment charge of $385,000 related to the Boulder acquisition, a $202,000 expense from the change in fair value of contingent purchase price consideration and a $33,000 loss on disposal of property and equipment. The cash provided by changes in operating assets and liabilities included an increase in accounts payable and accrued liabilities of $4.1 million, partially offset by increases in prepaid expenses and other assets, inventory and accounts receivable, net of $898,000, $893,000 and $416,000, respectively, as well as a decrease in deferred income of $250,000. The increase in accounts payable and accrued liabilities was largely due to the timing of payments. The increase in prepaid expenses and other assets reflected the timing of certain payments and inventory increased in anticipation of growing revenue. The increase in accounts receivable, net primarily reflected increased revenue during the year ended December 31, 2015, as well as the timing of receipts. The decrease in deferred income primarily related to a change in the process used to determine pricing for certain sales to customers in Japan that resulted in those sales being recorded upon shipment.

Investing activities

Net cash used in investing activities was $30.0 million and $3.1 million for the years ended December 31, 2016 and 2015, respectively. The cash used in 2016 consisted largely of a net $27.5 million used to finance the acquisitions of Imugen and Immunetics and $2.4 million used for purchases of property and equipment. The cash used in 2015 consisted largely of $3.4 million used for purchases of property and equipment, partially offset by a $312,000 decrease in restricted cash.

Financing activities

Net cash provided by financing activities was $29.1 million during the year ended December 31, 2016, which mainly reflects the $30.0 million MidCap borrowing, net of related discount and debt issuance costs.

Net cash provided by financing activities was $53.7 million during the year ended December 31, 2015, due mainly to net proceeds of approximately $53.8 million received in the offering that closed on February 4, 2015.

Operating and capital expenditure requirements

We have not achieved profitability on a quarterly or annual basis since our inception and we expect to incur net losses in the future. We expect that our operating expenses will increase as we continue to invest to grow our customer base, expand our marketing and distribution channels, hire additional employees and increase product development expenditures. Additionally, as a public company, we incur significant audit, legal and other expenses. We believe that our existing capital resources will be sufficient to fund our operations for the next few years.

Our future capital requirements will depend on many factors, including:

- our ability to continue to penetrate our existing markets and new markets in the United States;
- the costs and timing of further expansion of our sales and marketing efforts;
- our ability to penetrate existing markets outside the United States and enter and develop new geographies;
- the progress that we make in developing new products based on our technology platform;
- the percentage of sales that are reimbursed by payors and our ability to collect our accounts receivable;
- our ability to generate cash from operations; and
- the acquisition of businesses or technologies that we may undertake.

Contractual obligations

We have contractual obligations for non-cancelable facilities leases, equipment leases, license commitments and purchase commitments. Purchase commitments include future minimum royalty, license, and exclusivity payments to be paid under our license agreements with third parties for access to certain technologies. The following table reflects a summary of our contractual obligations as of December 31, 2017.

	Payments due by period				
(in thousands)	**Total**	**Less than 1 year**	**1-3 Years**	**3-5 Years**	**More than 5 years**
Operating lease obligations	$ 5,855	$ 1,957	$ 3,024	$ 732	$ 142
License commitments	200	90	104	4	2
Purchase commitments	5,356	5,356	—	—	—
MidCap term loan	30,000	—	20,000	10,000	—
Total	$ 41,411	$ 7,403	$ 23,128	$ 10,736	$ 144

In April 2017, we entered into a lease amendment for our location in Norwood, Massachusetts to extend the term of the lease through March 31, 2023. In accordance with the lease amendment, we will expand in a larger space in an adjacent building in Norwood containing about 39,000 square feet of rentable space. The base rent for the new space over the lease term will range from an initial low of $73,000 per month to a high of $83,000 per month. We will have two options to extend the lease term, each for a five-year period. During the transition, we will also be responsible for the lease payments on the existing space.

In May 2017, we entered into an agreement to consolidate two of our existing facilities for our U.K. headquarters into a new building that is currently under construction. The lease for the new building is due to commence on June 1, 2018 and extends through June 1, 2033. Initial rent for the new building will be $40,000 per month, while we continue to occupy our existing facilities, including our laboratory space. When the leases on our existing facilities have terminated in December 2020, or possibly sooner, and we fully occupy the new building, rent for the new building will increase to $80,000 per month. Rent will be reviewed for possible increases on June 1, 2021 and every third anniversary after that date.

In addition to the MidCap term loan payments listed above, we are required to pay an exit fee of 6.0% of the aggregate principal amount of all term loan borrowings (currently equal to $1.8 million).

Critical accounting policies and significant judgments and estimates

We have prepared our consolidated financial statements in accordance with U.S. GAAP. Our preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, expenses and related disclosures at the date of the consolidated financial statements, as well as revenue and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 1. *Description of business and significant accounting policies*, to our consolidated financial statements included in this Annual Report on Form 10-K, we believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our financial statements.

Revenue recognition and accounts receivable

We derive revenue from the sale of our diagnostic tests to a broad range of customers including hospitals, public health departments, commercial testing laboratories, importers and distributors. We offer our T-SPOT.*TB* test in either an *in vitro* diagnostic kit or a service format. Additionally, we offer tick-borne disease tests in both kit and service formats.

Revenue from tests is generally paid directly by the customer and is recognized on the accrual basis when the following revenue recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) the kit has been shipped or delivered or, in the case of tests performed in our laboratory, when final results have been reported to the customer; (3) the price is fixed or determinable; and (4) collectibility is reasonably assured.

In the United States, we also generate revenue from payments that are received from a variety of third-party payors, including government programs (Medicare and Medicaid) and commercial insurance companies, each with different billing requirements. Revenue from tests paid by third-party payors is recognized on an accrual basis based on our historical collection experience.

Accounts receivable are primarily amounts due from hospitals, public health departments, commercial testing laboratories, distributors and universities in addition to third-party payors such as commercial insurance companies (including managed care organizations), government programs (Medicare and Medicaid in the United States) and individual patients.

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 in relation to amounts billed, channel mix, any specific customer collection issues that have been identified and other relevant information. Our provision for uncollectible accounts is recorded as bad debt expense and included in general and administrative expenses. Although we believe amounts provided are adequate, the ultimate amounts of uncollectible accounts receivable could be in excess of the amounts provided.

Income taxes

We account for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of our assets and liabilities and their financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses, or NOLs, and research and development credit carryforwards. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

We follow the accounting guidance for uncertainties in income taxes, which prescribes a recognition threshold and measurement process for recording uncertain tax positions taken, or expected to be taken, in a tax return in the financial statements. Additionally, the guidance also prescribes the derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. We accrue for the estimated amount of taxes for uncertain tax positions if it is more likely than not that we would be required to pay such additional taxes. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. We did not have any accrued interest or penalties associated with any unrecognized tax positions, and there were no such interest or penalties recognized during the years ended December 31, 2017, 2016 or 2015.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, or the TCJA, was enacted. This tax reform legislation makes significant changes in U.S. tax law including a reduction in the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corporate alternative minimum tax. The legislation reduced the U.S. corporate tax rate from the current rate of 34% to 21% effective on January 1, 2018. As a result of the enacted law, the Company was required to revalue deferred tax assets and liabilities at the 21% rate. This results in a decrease in the company's net deferred tax asset and corresponding valuation allowance of $19.8 million. As the Company maintains a full valuation allowance against its net deferred tax asset position in the United States, this revaluation does not result in an income tax expense or benefit in the current period. The other provisions of the TCJA did not have a material impact on the 2017 consolidated financial statements.

Share-based compensation

Share-based compensation relates to grants of options to purchase ordinary shares, restricted shares and restricted share units. Currently, we maintain 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, we are no longer authorized to grant awards under the Amended and Restated 2008 Stock Incentive Plan.

We measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the award, volatility and dividend yield, and making certain assumptions about the award. Share-based compensation expense for restricted shares is calculated based on the grant date market price of the shares and is recognized over the vesting period.

We use the Black-Scholes option pricing model to value the share option awards. The Black-Scholes option pricing model requires the input of subjective assumptions, including assumptions about the expected life of share-based payment awards and share price volatility. In addition, when we were a private company, one of the most subjective inputs into the Black-Scholes option pricing model was the estimated fair value of our ordinary shares. Due to the lack of an adequate history of a public market for the trading of our ordinary shares and a lack of adequate company specific historical and implied volatility data, we have based our estimate of expected volatility in part on our volatility, as well as on the historical volatility of a group of similar companies that are publicly traded. For these analyses, we have selected companies with comparable characteristics to ours including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected life of the share-based awards. We compute the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of our share-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own share price becomes available.

We determine the expected term for share option grants to employees based on the “simplified” method prescribed under Staff Accounting Bulletin Topic 14: Share-based Payments. 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. The risk-free interest rate is a weighted-average assumption equivalent to the expected term based on the United States Treasury yield curve in effect as of the date of grant. The assumptions used in calculating the fair value of the share-based payment awards represent our best estimate and involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use different assumptions, share-based compensation expense could be materially different in the future.

In accordance with Financial Accounting Standards Board, Accounting Standards Codification 718, *Compensation—Stock Compensation*, we recognize expense based on the share option grant’s pre-defined vesting schedule over the requisite service period using the straight-line method for all employee share options. In addition to the assumptions used to calculate the fair value of the share options, we are required to estimate the expected forfeiture rate of all share-based awards and only recognize expense for those awards expected to vest. The estimation of the number of share awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period in which estimates are revised. We consider multiple factors when estimating expected forfeitures, including employee position and historical employee turnover data. During the period in which the share options vest, we will record additional expense if the actual forfeiture rate is lower than the estimated forfeiture rate and a recovery of expense if the actual forfeiture rate is higher than estimated.

Business combinations

For acquisitions meeting the definition of a business combination, we allocate 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.

When determining the fair value of tangible assets acquired, we estimate the cost using the most appropriate valuation method with assistance from independent third-party specialists. When determining the fair value of intangible assets acquired, we use 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 our best estimates. If factors change and we 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.

Goodwill and indefinite-lived intangible assets

Goodwill

Goodwill is not amortized but is reviewed for impairment at least annually in the fourth quarter of the year, or when events or changes in the business environment indicate that all, or a portion, of the carrying value of the reporting unit may no longer be recoverable, using the two-step impairment review. Under this method, we compare the fair value of the goodwill to its carrying value. If the fair value is less than the carrying amount, a more detailed analysis is performed to determine if goodwill is impaired. An impairment loss, if any, is measured as the excess of the carrying value of goodwill over the fair value of goodwill. We also have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads us to determine that it is more likely than not (that is, a likelihood of more than 50%) that goodwill is impaired. If we choose to first assess qualitative factors and it is determined that it is not more likely than not goodwill is impaired, we are not required to take further action to test for impairment. We also have the option to bypass the qualitative assessment and perform only the quantitative impairment test, which we may choose to do in some periods but not in others.

Indefinite-lived intangible assets

IPR&D intangible assets are considered indefinite-lived intangible assets until completion or abandonment of the associated research and development efforts. IPR&D is not amortized but is reviewed for impairment at least annually in the fourth quarter of the year, or when events or changes in the business environment indicate the carrying value may be impaired. If the fair value of the intangible asset is less than the carrying amount, we perform a quantitative test to determine the fair value. The impairment loss, if any, is measured as the excess of the carrying value of the intangible asset over its fair value. We also have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads us to determine that it is more likely than not (that is, a likelihood of more than 50%) that our indefinite-lived intangible asset is impaired. If we choose to first assess qualitative factors and it is determined that it is not more likely than not our indefinite-lived intangible asset is impaired, we are not required to take further action to test for impairment. We also have the option to bypass the qualitative assessment and perform only the quantitative impairment test, which we may choose to do in some periods but not in others. The determinations as to whether, and, if so, the extent to which, acquired IPR&D become impaired are highly judgmental and based on significant assumptions regarding the projected future financial condition and operating results, changes in the manner of the use and development of the acquired assets, our overall business strategy, and regulatory, market and economic environment and trends.

Off-balance sheet arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or for any other contractually narrow or limited purpose.

Recent accounting pronouncements

See Note 1. *Description of business and significant accounting policies*, to our consolidated financial statements included in this Annual Report on Form 10-K for a discussion of the impact of recent accounting pronouncements on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2017, we had cash and cash equivalents of $90.3 million and restricted cash of $200,000 pledged as collateral for procurement cards issued by a U.S. commercial bank.

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 and foreign currency exchange rate fluctuations, as discussed below.

Interest rate fluctuations

Changes in the general level of U.S. and European interest rates expose us to interest rate risk. These changes could affect our interest income and interest expense. Based on our cash and cash equivalents at December 31, 2017, if interest rates went either up or down one percentage point, this could change our interest income by approximately $0.8 million per annum.

We are also exposed to market risk related to fluctuations in interest rates indexed to LIBOR, which determines the variable interest payments made on our loan payable. However, we do not believe we are subject to any material market risk exposure related to this obligation.

Capital market fluctuations

Our cash and cash equivalents are invested in interest-bearing savings and money market 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 and ROW and Asia, and our revenue is denominated in multiple currencies. Approximately 62% of our sales were in the United States, which are denominated in U.S. Dollars. Sales in China are denominated in U.S. Dollars but these sales are made by our United Kingdom-based subsidiary where the Pound Sterling is the functional currency. As a result, these sales are subject to remeasurement into Pounds Sterling and then translation into U.S. Dollars when we consolidate our financial statements. Sales in Europe are denominated primarily in the Pound Sterling and Euro. As we grow Europe and ROW sales outside the United Kingdom and the Euro Zone, we may be subject to risk from additional currencies. Sales in Japan are denominated in Yen.

Our expenses are generally denominated in the currencies in which our operations are located, which are primarily in the United States, the United Kingdom, Japan, Europe and China.

As we continue to grow our business outside the United States, 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.

Item 8. Financial Statements and Supplementary Data

The information required by this item may be found beginning on page F-1 of this Annual Report on Form 10-K with the exception of the unaudited consolidated quarterly operations data, which is presented below. Net loss per ordinary share is calculated independently for each of the periods presented. Therefore, the sum of the quarterly net loss per ordinary share amounts will not necessarily equal the total for the full fiscal year.

We have prepared the consolidated quarterly operations data on a consistent basis with the audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. In the opinion of management, the quarterly consolidated operations data reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data. Historical results are not necessarily indicative of the results to be expected in future periods, and the results for a quarterly period are not necessarily indicative of the operating results for a full year. This information should be read in conjunction with the consolidated financial statements included elsewhere in this Annual Report Form 10-K.

	Three months ended			
(in thousands, except share and per share data) (unaudited)	**March 31, 2017**	**June 30, 2017**	**September 30, 2017**	**December 31, 2017**
Revenue:				
Product	$ 8,386	$ 10,422	$ 12,000	$ 9,714
Service	13,119	15,698	18,429	15,312
Total revenue	$ 21,505	$ 26,120	$ 30,429	$ 25,026
Gross profit	$ 11,008	$ 13,628	$ 17,261	$ 14,452
Net (loss) income [1]	$ (8,072)	$ (16,766)	$ (16,847)	$ 8,800
Net (loss) income per ordinary share:				
Basic	$ (0.36)	$ (0.74)	$ (0.70)	$ 0.34
Diluted	$ (0.36)	$ (0.74)	$ (0.70)	$ 0.33
Weighted-average shares used to compute net (loss) income per ordinary share:				
Basic	22,533,531	22,805,379	24,123,574	25,532,152
Diluted	22,533,531	22,805,379	24,123,574	26,828,912

(1) The three months ended June 30, 2017 included a $9.6 million Release and Settlement Agreement, or the Settlement Agreement, with Statens Serum Institut, or SSI, to resolve outstanding disputes arising from our previous license agreement. The terms of the Settlement Agreement are confidential. Based on the Settlement Agreement, we no longer expect to pay royalties to SSI, which will improve future margins. The three months ended September 30, 2017 included an impairment charge of $11.1 million to write-off certain intangibles acquired in conjunction with the 2016 acquisition of Imugen, including $9.2 million related to IPR&D, $1.1 million related to customer relationships and $701,000 related to the Imugen trade name. The three months ended December 31, 2017 included a $27.5 million one-time, lump-sum payment for the settlement of a lawsuit. See Part I, Item 3. Legal Proceedings for further information. Additionally, the three months ended December 31, 2017 included an impairment charge of $7.2 million to write-off certain intangibles acquired in conjunction with the 2016 acquisition of Immunetics.

	Three months ended			
(in thousands, except share and per share data) (unaudited)	**March 31, 2016**	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**
Revenue:				
Product	$ 8,138	$ 9,293	$ 9,713	$ 9,286
Service	8,972	9,861	16,396	14,419
Total revenue	$ 17,110	$ 19,154	$ 26,109	$ 23,705
Gross profit	$ 8,945	$ 10,548	$ 14,606	$ 12,507
Net loss [2]	$ (7,049)	$ (6,446)	$ (3,996)	$ (4,858)
Net loss per ordinary share—basic and diluted	$ (0.32)	$ (0.29)	$ (0.18)	$ (0.22)
Weighted-average shares used to compute net loss per ordinary share—basic and diluted	22,284,392	22,351,645	22,365,349	22,412,691

(2) The three months ended December 31, 2016 included impairment charges of $1.8 million, which included a $1.5 million impairment charge for Boulder IPR&D and a $306,000 fixed asset impairment charge, partially offset by a $1.2 million benefit due to the change in fair value of contingent consideration.

Our revenue fluctuates from quarter to quarter as a result of a number of factors, many of which are outside our control. Our service revenue has historically been strong in the third quarter as a result of a concentration of testing in the United States related to college students returning to school, while the fourth quarter has historically been weaker due to the holiday periods and decreased screening activity in hospitals as they focus on other priorities. Additionally, we see fluctuation in our product revenue from quarter to quarter, due to ordering patterns, particularly relating to our large distributor customers. As a result of such factors, we expect to continue to see seasonality and quarter-to-quarter variations in our revenue.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with accountants on accounting and financial disclosure matters in the last fiscal year.

Item 9A. Controls and procedures

(a) Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive and Chief Financial Officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

(c) Changes in internal control over financial reporting

There have been no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fourth quarter of 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

Item 11. Executive Compensation

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

Item 14. Principal Accounting Fees and Services

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, to be filed with the Commission not later than 120 days after the close of our fiscal year ended December 31, 2017.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) 1. Financial Statements

As part of this Annual Report on Form 10-K, the consolidated financial statements are listed in the accompanying index to financial statements on page F-1.

2. Financial Statement Schedules

All schedules have been omitted because they are not required, not applicable, not present in amounts sufficient to require submission of the schedule, or the required information is otherwise included.

3. Exhibit Index

The following is a list of exhibits filed as part of this Annual Report on Form 10-K:

Exhibit number	Description of exhibit
2.1*+	Purchase Agreement, dated June 23, 2016, between Oxford Immunotec, Inc. and Imugen, Inc. (Filed as Exhibit 2.1 to our Current Report on Form 8-K on July 6, 2016, and incorporated herein by reference.)
3.1	Articles of Association of the Registrant (Filed as Exhibit 3.1 of our Form 8-K on June 18, 2014 and incorporated herein by reference.)
4.1	Form of Ordinary Shares Certificate (Filed as Exhibit 4.1 of Amendment No. 5 to our Registration Statement on Form S-1 (File No. 333-191737) on November 8, 2013 and incorporated herein by reference.)
10.1+	Supply Agreement dated December 17, 2010 between MicroCoat Biotechnologie GmbH and Oxford Immunotec Limited (Filed as Exhibit 10.11 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.2	Amendment to Supply Agreement dated April 5, 2016 between MicroCoat Biotechnologie GmbH and Oxford Immunotec Limited (Filed as Exhibit 10.2 to our Current Report on Form 8-K on May 4, 2016, and incorporated herein by reference.)
10.3+	Purchase Agreement dated February 6, 2010 between Mabtech AB and Oxford Immunotec Limited (Filed as Exhibit 10.12 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.4+	Amendment to Purchase Agreement dated September 10, 2013 between Mabtech AB and Oxford Immunotec Limited (Filed as Exhibit 10.13 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.5+	Second Amendment to Purchase Agreement between Mabtech AB and Oxford Immunotec Limited dated November 17, 2017.
10.6+	Manufacturing Agreement dated August 26, 2003 between Mabtech AB and Oxford Immunotec Limited (Filed as Exhibit 10.14 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.7	First Amendment dated January 1, 2010 to Manufacturing Agreement between Mabtech AB and Oxford Immunotec Limited (Filed as Exhibit 10.15 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.8	Second Amendment dated May 24, 2011 to Manufacturing Agreement between Mabtech AB and Oxford Immunotec Limited (Filed as Exhibit 10.16 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.9+	Supply Agreement dated January 1, 2009 between EMD Millipore Corporation and Oxford Immunotec Ltd (Filed as Exhibit 10.17 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.10+	First Amendment to Supply Agreement dated September 27, 2013 between EMD Millipore Corporation and Oxford Immunotec Limited (Filed as Exhibit 10.18 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)

Exhibit number	Description of exhibit
10.11+	Second Amendment to Supply Agreement dated March 25, 2014 between EMD Millipore Corporation and Oxford Immunotec Limited (Filed as Exhibit 10.20 of our Form 10-K on March 27, 2014 and incorporated herein by reference.)
10.12+	Supply Agreement dated January 31, 2008 between StemCell Technologies, Inc. and Oxford Immunotec Limited (Filed as Exhibit 10.19 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.13+	Amendment dated October 26, 2011 to Supply Agreement between StemCell Technologies, Inc. and Oxford Immunotec Limited (Filed as Exhibit 10.20 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.14+	Second Amendment to Supply Agreement dated September 1, 2017 between StemCell Technologies Canada Inc. f/k/a StemCell Technologies, Inc. and Oxford Immunotec Limited (Filed as Exhibit 10.1 of our Form 10-Q on October 31, 2017 and incorporated herein by reference.)
10.15+	Supply and Reseller Agreement dated August 12, 2013 between Life Technologies Corporation and Oxford Immunotec Limited (Filed as Exhibit 10.21 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.16+	First Amendment to Supply and Reseller Agreement, dated April 1, 2014 between Life Technologies Corporation and Oxford Immunotec Limited (Filed as Exhibit 10.1 of our Form 8-K on April 3, 2014 and incorporated herein by reference.)
10.17+	Second Amendment to Supply and Reseller Agreement, dated August 9, 2016 between Life Technologies Corporation and Oxford Immunotec Limited (Filed as Exhibit 10.1 of our Form 10-Q on November 1, 2016 and incorporated herein by reference.)
10.18+	Distributorship Agreement dated October 8, 2013 among Shanghai Fosun Long March Medical Science Co. Ltd., Shanghai Xin Chang Medical Device Co. Ltd. and Oxford Immunotec Limited (Filed as Exhibit 10.24 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.19+	First Amendment to Distributorship Agreement between Oxford Immunotec, Ltd., Fosun Long March Medical Science Co. Ltd. and Shanghai Xin Chang Medical Device Co. Ltd. dated April 22, 2015 (Filed as Exhibit 10.1 of our Quarterly Report on Form 10-Q on August 4, 2015 and incorporated herein by reference.)
10.20+	Second Amendment to Distributorship Agreement between Oxford Immunotec, Ltd., Fosun Long March Medical Science Co. Ltd. and Shanghai Xin Chang Medical Device Co. Ltd. dated November 3, 2016. (Filed as Exhibit 10.20 of our Annual Report on Form 10-K on March 1, 2017 and incorporated herein by reference.)
10.21+	Third Amendment to Distributorship Agreement between Oxford Immunotec, Ltd., Fosun Long March Medical Science Co. Ltd. and Shanghai Xin Chang Medical Device Co. Ltd. entered into on December 20, 2017.
10.22+	Marketing Authorization Holder Agreement dated July 29, 2011 between Riken Genesis Co., Ltd. and Oxford Immunotec Limited (Filed as Exhibit 10.25 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.23+	Amendment to Marketing Authorization Holder Agreement dated September 1, 2013 between Riken Genesis Co., Ltd. and Oxford Immunotec Limited (Filed as Exhibit 10.26 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.24	Amendment to Marketing Authorization Holder Agreement dated April 1, 2016 between Riken Genesis Co., Ltd. and Oxford Immunotec Limited (Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q on May 4, 2016, and incorporated herein by reference.)
10.25	Amendment to Marketing Authorization Holder Agreement dated July 7, 2017 between Riken Genesis Co., Ltd. and Oxford Immunotec Limited (Filed as Exhibit 10.1 of our Form 8-K on July 28, 2017 and incorporated herein by reference.)
10.26	Credit, Security and Guaranty Agreement (Term Loan), dated October 4, 2016, among Oxford Immunotec Global PLC, Oxford Immunotec, Inc., Oxford Immunotec Limited, the lenders from time to time party thereto and MidCap Financial Trust, individually as a lender and as administrative agent (Filed as Exhibit 10.1 of our Form 8-K on October 7, 2016 and incorporated herein by reference.)
10.27	Credit, Security and Guaranty Agreement (Revolving Loan), dated October 4, 2016, among Oxford Immunotec Global PLC, Oxford Immunotec, Inc., Oxford Immunotec Limited, the lenders from time to time party thereto and MidCap Financial Trust, individually as a lender and as administrative agent (Filed as Exhibit 10.2 of our Form 8-K on October 7, 2016 and incorporated herein by reference.)

Exhibit number	Description of exhibit
10.28	Amended and Restated 2008 Stock Incentive Plan (Filed as Exhibit 10.35 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.29	Form of Incentive Stock Option Award for executive officers under the Amended and Restated 2008 Stock Incentive Plan (Filed as Exhibit 10.36 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.30	Form of Non-Statutory Stock Option Award for Non-Executive Directors under the Amended and Restated 2008 Stock Incentive Plan (Filed as Exhibit 10.37 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.31	Form of Enterprise Management Incentive Stock Option Agreement for Chief Executive Officer under the Amended and Restated 2008 Stock Incentive Plan (Filed as Exhibit 10.38 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.32	Oxford Immunotec Global PLC 2013 Share Incentive Plan (Filed as Exhibit 10.39 of Amendment No. 6 of our Registration Statement on Form S-1 (File No. 333-191737) on November 14, 2013 and incorporated herein by reference.)
10.33	Oxford Immunotec Global PLC 2013 Amended Share Incentive Plan.
10.34	Form of Restricted Share Award Certificate under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.1 of our Form 8-K on March 6, 2014 and incorporated herein by reference.)
10.35	Form of First Amendment to Officer Restricted Share Award under Appendix C of the 2013 Share Incentive Plan (Filed as Exhibit 10.1 of our Form 8-K on January 2, 2015 and incorporated herein by reference.)
10.36	Form of Amendment to the Restricted Share Award (Revised Vesting) under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.36 of our Form 10-K on March 1, 2016 and incorporated herein by reference).
10.37	Form of Restricted Share Award Certificate under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United States (Filed as Exhibit 10.2 of our Form 8-K on March 6, 2014 and incorporated herein by reference.)
10.38	Form of CSOP award certificate under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.3 of our Form 8-K on March 6, 2014 and incorporated herein by reference.)
10.39	Form of CSOP Option Certificate (Annual Vesting) under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.39 of our Form 10-K on March 1, 2016 and incorporated herein by reference).
10.40	Form of unapproved option under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.4 of our Form 8-K on March 6, 2014 and incorporated herein by reference.)
10.41	Form of Unapproved Stock Option Award (Annual Vesting) under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United Kingdom (Filed as Exhibit 10.41 of our Form 10-K on March 1, 2016 and incorporated herein by reference).
10.42	Form of stock option agreement under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United States (Filed as Exhibit 10.5 of our Form 8-K on March 6, 2014 and incorporated herein by reference.)
10.43	Form of Stock Option Agreement (Annual Vesting) under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers resident in the United States (Filed as Exhibit 10.43 of our Form 10-K on March 1, 2016 and incorporated herein by reference).
10.44	Form of Unapproved Stock Option Award (Double Trigger) under the Oxford Immunotec Global PLC 2013 Share Incentive Plan.
10.45	Form of Restricted Share Unit Award under the Oxford Immunotec Global PLC 2013 Share Incentive Plan for officers (Filed as Exhibit 10.44 of our Form 10-K on March 1, 2016 and incorporated herein by reference).

Exhibit number	Description of exhibit
10.46	Service Agreement dated October 21, 2002 between Oxford Immunotec Limited and Peter Wrighton-Smith, as amended through 2013 (Filed as Exhibit 10.45 of our Form 10-K on March 27, 2014 and incorporated herein by reference.)
10.47	Deed of Novation of Agreement for Services dated November 8, 2013 by and among Oxford Immunotec Limited, Oxford Immunotec Global PLC and Peter Wrighton-Smith (Filed as Exhibit 10.49 of Amendment No. 5 to our Registration Statement on Form S-1 (File No. 333-191737) on November 8, 2013 and incorporated herein by reference.)
10.48	Amended and Restated Employment Agreement dated October 1, 2013 between Oxford Immunotec, Inc. and Jeff R. Schroeder (Filed as Exhibit 10.42 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.49	Amended and Restated Employment Agreement dated October 1, 2013 between Oxford Immunotec, Inc. and Richard M. Altieri (Filed as Exhibit 10.43 of our Registration Statement on Form S-1 (File No. 333-191737) on October 15, 2013 and incorporated herein by reference.)
10.50	Form of Employment Agreement for Senior Executives.
10.51	Form of Deed of Indemnity for Directors (Filed as Exhibit 10.44 of Amendment No. 5 to our Registration Statement on Form S-1 (File No. 333-191737) on November 8, 2013 and incorporated herein by reference.)
10.52	Form of Deed of Indemnity for Officers (Filed as Exhibit 10.45 of Amendment No. 5 to our Registration Statement on Form S-1 (File No. 333-191737) on November 8, 2013 and incorporated herein by reference.)
10.53	Form of Non-Executive Director Appointment Letter (Filed as Exhibit 10.46 of Amendment No. 2 to our Registration Statement on Form S-1 (File No. 333-191737) on November 4, 2013 and incorporated herein by reference.)
10.54	Form of Director Stock Option Award under Oxford Immunotec Global PLC Share Incentive Plan (Filed as Exhibit 10.48 of Amendment No. 5 to our Registration Statement on Form S-1 (File No. 333-191737) on November 8, 2013 and incorporated herein by reference.)
10.55	Form of First Amendment to Officer Stock Option Award under Appendix D of the 2013 Share Incentive Plan (Filed as Exhibit 10.2 of our Form 8-K on January 2, 2015 and incorporated herein by reference.)
21.1	List of Subsidiaries
23.1	Consent of Ernst & Young LLP
24.1	Power of Attorney executed by Directors and Officers (included on signature page)
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated balance sheets as of December 31, 2017 and 2016; (ii) Consolidated statements of operations for the years ended December 31, 2017, 2016 and 2015; (iii) Consolidated statements of other comprehensive loss for the years ended December 31, 2017, 2016 and 2015; (iv) Consolidated statements of shareholders' equity for the years ended December 31, 2017, 2016 and 2015; (v) Consolidated statements of cash flows for the years ended December 31, 2017, 2016 and 2015; and (vi) Notes to consolidated financial statements.

* All schedules (and similar attachments) to the Purchase Agreement were omitted pursuant to Section 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementally a copy of any omitted schedule (or other attachment) to the SEC.

\+ Confidential treatment has been granted or requested with respect to certain portions of this exhibit. Omitted portions have been submitted separately to the SEC.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Abingdon, England, on February 27, 2018.

OXFORD IMMUNOTEC GLOBAL PLC

By: /s/ Peter Wrighton-Smith, Ph.D.
Peter Wrighton-Smith, Ph.D.
Chief Executive Officer and Director

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Peter Wrighton-Smith, Ph.D., Richard M. Altieri, and Elizabeth M. Keiley, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant on February 27, 2018 in the capacities indicated below.

Signature	Title	Date
/s/ Peter Wrighton-Smith, Ph.D. Peter Wrighton-Smith, Ph.D.	Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2018
/s/ Richard M. Altieri Richard M. Altieri	Chief Financial Officer (Principal Financial and Accounting Officer)	February 27, 2018
/s/ Richard A. Sandberg Richard A. Sandberg	Chairman of the Board of Directors	February 27, 2018
/s/ Ronald Andrews Jr. Ronald Andrews Jr.	Director	February 27, 2018
/s/ Patrick J. Balthrop, Sr. Patrick J. Balthrop, Sr.	Director	February 27, 2018
/s/ Patricia Randall Patricia Randall	Director	February 27, 2018
/s/ Herm Rosenman Herm Rosenman	Director	February 27, 2018
/s/ Stephen L. Spotts Stephen L. Spotts	Director	February 27, 2018
/s/ James R. Tobin James R. Tobin	Director	February 27, 2018
/s/ A. Scott Walton A. Scott Walton	Director	February 27, 2018
/s/ Richard M. Altieri Richard M. Altieri	Authorized Representative in the United States	February 27, 2018

Oxford Immunotec Global PLC

Index to financial statements

Audited consolidated financial statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Oxford Immunotec Global PLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oxford Immunotec Global PLC (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, other comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

Reading, United Kingdom

February 27, 2018

Oxford Immunotec Global PLC
Consolidated balance sheets
(in thousands, except share and per share data)

	December 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 90,332	$ 59,110
Accounts receivable, net	16,981	13,265
Inventory, net	10,142	7,437
Prepaid expenses and other assets	3,027	2,390
Total current assets	120,482	82,202
Restricted cash, non-current	200	200
Property and equipment, net	9,067	7,793
In-process research and development	—	16,170
Goodwill	3,967	3,822
Other intangible assets, net	7,849	11,017
Deferred tax asset	2,486	2,630
Other assets	185	178
Total assets	$ 144,236	$ 124,012
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 6,842	$ 3,201
Accrued liabilities	11,134	14,282
Settlement liability	4,342	—
Contingent purchase price consideration	—	882
Deferred income	36	41
Current portion of loans payable	91	84
Total current liabilities	22,445	18,490
Long-term portion of loans payable	29,904	29,601
Settlement liability	3,894	—
Contingent purchase price consideration	—	2,593
Other liabilities	364	364
Total liabilities	56,607	51,048
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Ordinary shares, £0.006705 nominal value; 36,183,293 shares authorized at December 31, 2017 and 2016, 25,661,634 and 22,635,431 shares issued and outstanding at December 31, 2017 and 2016, respectively	269	243
Additional paid-in capital	294,613	249,128
Accumulated deficit	(201,541)	(168,656)
Accumulated other comprehensive loss	(5,712)	(7,751)
Total shareholders' equity	87,629	72,964
Total liabilities and shareholders' equity	$ 144,236	$ 124,012

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Consolidated statements of operations
(in thousands, except share and per share data)

	Year ended December 31,		
	2017	2016	2015
Revenue			
Product	$ 40,522	$ 36,430	$ 30,207
Service	62,558	49,648	32,575
Total revenue	103,080	86,078	62,782
Cost of revenue			
Product	13,794	13,956	13,297
Service	32,937	25,516	16,247
Total cost of revenue	46,731	39,472	29,544
Gross profit	56,349	46,606	33,238
Operating expenses:			
Research and development	16,701	13,881	10,381
Sales and marketing	38,016	34,964	30,402
General and administrative	30,366	23,181	16,010
Change in fair value of contingent purchase price consideration	(3,475)	(1,208)	202
Intangible assets impairment charges	18,300	1,765	419
Settlement expense	10,028	—	—
Total operating expenses	109,936	72,583	57,414
Loss from operations	(53,587)	(25,977)	(24,176)
Other income (expense):			
Interest expense, net	(3,105)	(864)	(67)
Foreign exchange (losses) gains	(1,850)	1,364	(143)
Other (expense) income	(209)	(646)	54
Litigation settlement income	27,500	—	—
Loss before income taxes	(31,251)	(26,123)	(24,332)
Income tax (expense) benefit	(1,634)	3,774	(146)
Net loss	$ (32,885)	$ (22,349)	$ (24,478)
Net loss per ordinary share—basic and diluted	$ (1.38)	$ (1.00)	$ (1.12)
Weighted-average shares used to compute net loss per ordinary share—basic and diluted	23,757,902	22,353,713	21,781,933

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Consolidated statements of other comprehensive loss
(in thousands)

	Year ended December 31,		
	2017	2016	2015
Net loss	$ (32,885)	$ (22,349)	$ (24,478)
Other comprehensive gain (loss), net of taxes:			
Foreign currency translation adjustment, net of taxes	2,039	(2,474)	(707)
Other comprehensive gain (loss), net of taxes	2,039	(2,474)	(707)
Total comprehensive loss	$ (30,846)	$ (24,823)	$ (25,185)

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Consolidated statements of shareholders' equity
(in thousands)

	Ordinary shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive gain (loss)	Total shareholders' equity
Balance at December 31, 2014	$ 192	$ 186,816	$ (121,829)	$ (4,570)	$ 60,609
Exercise of share options	1	19	—	—	20
Issuance of shares in secondary offering	50	53,713	—	—	53,763
Share-based compensation expense	—	3,485	—	—	3,485
Other comprehensive loss	—	—	—	(707)	(707)
Net loss	—	—	(24,478)	—	(24,478)
Balance at December 31, 2015	243	244,033	(146,307)	(5,277)	92,692
Exercise of share options	—	76	—	—	76
Share-based compensation expense	—	5,019	—	—	5,019
Other comprehensive loss	—	—	—	(2,474)	(2,474)
Net loss	—	—	(22,349)	—	(22,349)
Balance at December 31, 2016	243	249,128	(168,656)	(7,751)	72,964
Exercise of share options	4	557	—	—	561
Issuance of shares in secondary offering	22	39,276	—	—	39,298
Share-based compensation expense	—	5,864	—	—	5,864
Tax on vesting of restricted share units	—	(212)	—	—	(212)
Other comprehensive gain	—	—	—	2,039	2,039
Net loss	—	—	(32,885)	—	(32,885)
Balance at December 31, 2017	$ 269	$ 294,613	$ (201,541)	$ (5,712)	$ 87,629

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Consolidated statements of cash flows
(in thousands)

	Year ended December 31,		
	2017	**2016**	**2015**
Cash flows from operating activities			
Net loss	$ (32,885)	$ (22,349)	$ (24,478)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization of intangible assets	4,240	3,094	2,142
Change in fair value of contingent purchase price consideration	(3,475)	(1,208)	202
Intangible assets impairment charges	18,300	1,765	419
Accretion and amortization of loan fees	570	—	—
Share-based compensation expense	5,864	5,019	3,485
Loss on disposal of property and equipment	304	—	33
Deferred income taxes	1,602	—	—
Changes in operating assets and liabilities:			
Accounts receivable, net	(3,296)	(6,515)	(416)
Inventory, net	(2,315)	(741)	(893)
Prepaid expenses and other assets	(471)	(2,926)	(898)
Accounts payable	3,751	(1,145)	1,363
Accrued liabilities	515	4,753	2,742
Settlement liability	3,719	—	—
Deferred income	(9)	(1,668)	(250)
Net cash used in operating activities	(3,586)	(21,921)	(16,549)
Cash flows from investing activities			
Purchases of property and equipment	(5,029)	(2,383)	(3,425)
Purchases of intangible assets	—	—	(43)
Cash paid for acquisitions, net of cash acquired	—	(27,515)	—
Proceeds on sales of property and equipment	—	—	34
Change in restricted cash	—	(120)	312
Net cash used in investing activities	(5,029)	(30,018)	(3,122)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	39,298	—	53,763
Proceeds from exercise of share options	561	76	20
Payments of tax withheld on vesting of restricted share units	(212)	—	—
Proceeds from term loan, net	—	29,457	—
Discount on the line of credit	—	(50)	—
Debt issuance costs	—	(289)	—
Payments on loan	(261)	(80)	(122)
Net cash provided by financing activities	39,386	29,114	53,661
Effect of exchange rate changes on cash and cash equivalents	451	(1,780)	(440)
Net increase (decrease) in cash and cash equivalents, excluding restricted cash	31,222	(24,605)	33,550
Cash and cash equivalents at beginning of year	59,110	83,715	50,165
Cash and cash equivalents at end of year	$ 90,332	$ 59,110	$ 83,715

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Consolidated statements of cash flows (continued)
(in thousands)

	Year ended December 31,		
	2017	**2016**	**2015**
Supplemental disclosures			
Cash paid for interest	$ 3,123	$ 450	$ 41
Cash paid for taxes	145	141	50

See accompanying notes to these consolidated financial statements.

Oxford Immunotec Global PLC
Notes to consolidated financial statements

1. Description of business and significant accounting policies

Description of business

Oxford Immunotec Global PLC, or the Company, is a global, high-growth diagnostics company focused on developing and commercializing proprietary tests for underserved immune-regulated conditions. The Company's focus is on four areas: infectious diseases transplantation, autoimmune and inflammatory disease and immune-oncology. The Company believes these areas are particularly attractive 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 characterized by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorize patients and inform treatment pathways particularly useful and cost-effective. Lastly, the Company believes these conditions to be underserved as the industry lacks the appropriate techniques to prosecute the immune responses which are driving these conditions.

Basis of presentation, accounting principles and principles of consolidation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP, and include the financial statements of Oxford Immunotec Global PLC, a company incorporated in England and Wales and its wholly-owned subsidiaries, collectively referred to as the Company. All intercompany accounts and transactions have been eliminated upon consolidation.

Segment reporting

The Company operates in one operating segment. The Company's chief operating decision maker, or the CODM, its chief executive officer, manages the Company's operations on an integrated basis for the purposes of allocating resources. When evaluating the Company's financial performance, the CODM reviews separate revenue information for the Company's product and service offerings and for each country, while all other financial information is on a combined basis. While the Company's principal operations and decision-making functions are located in both the United States and United Kingdom, the CODM makes decisions on a global basis. Accordingly, the Company has determined that it operates in a single reporting segment.

Use of estimates

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

Foreign currency translation

The functional currency for Oxford Immunotec Global PLC is the U.S. Dollar. The functional currency for the Company's operating subsidiaries are the Pound Sterling for Oxford Immunotec Limited, the U.S. Dollar for Oxford Immunotec Inc. and Immunetics, Inc., or Immunetics, the Yen for Oxford Immunotec K.K., the Yuan for Oxford Immunotec (Shanghai) Medical Device Co. Ltd., the Euro for Boulder Diagnostics Europe GmbH and the Hong Kong Dollar for Oxford Immunotec Asia Limited. Revenue and expenses of foreign operations are translated into U.S. Dollars at the average rates of exchange during the year. Assets and liabilities of foreign operations are translated into U.S. Dollars at year-end rates. The Company reflects resulting translation gains or losses in accumulated other comprehensive income, which is a component of shareholders' equity. The Company does not record tax provisions or benefits for the net changes in foreign currency translation adjustments, as the Company intends to permanently reinvest undistributed earnings in its foreign subsidiaries.

Realized and unrealized foreign currency transaction gains or losses, arising from exchange rate fluctuations on balances denominated in currencies other than the functional currencies, are included in "Other income (expense)" in the consolidated statements of operations.

Concentration of risks

In the year ended December 31, 2017, the Company had two product customers that represented more than 10% of the Company's annual revenue. The Company's Chinese distributor, Shanghai Fosun Long March Medical Science Co. Ltd., or Fosun, represented approximately 14% of annual revenue and the Company's Japanese importer, Riken Genesis Co., Ltd. represented approximately 11% of annual revenue. The loss of either of these product customers could have a material impact on the Company's operating results.

Cash and cash equivalents and restricted cash

The Company considers all highly liquid investments purchased with maturities at acquisition of three months or less to be cash equivalents. The Company maintains its available cash balances in cash, money market funds and repurchase agreements primarily invested in U.S. government and agency securities, and bank savings accounts in the United States, United Kingdom, Germany, Japan, China and South Korea. The Company maintains deposits in government insured financial institutions in excess of government insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Restricted cash relates to collateral for procurement cards issued by a U.S. commercial bank.

Accounts receivable

Accounts receivable are primarily amounts due from customers including hospitals, public health departments, commercial testing laboratories, distributors and universities in addition to third-party payors such as commercial insurance companies and government programs (including Medicare and Medicaid).

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. The Company's provision for uncollectible accounts is recorded as a bad debt expense and included in general and administrative expenses. Account balances are written-off against the allowance when it is probable that the receivable will not be recovered. Although the Company believes amounts provided are adequate, the ultimate amounts of uncollectible accounts receivable could be in excess of the amounts provided.

Inventory

Inventory consists of raw materials, work in progress and finished goods. The Company 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. Inventory is removed at cost. Inventory is stated at the lower of cost and net realizable value. Cost is determined by the actual cost of components by batch plus estimated labor and overhead costs per unit. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company reviews the components of its inventory on a periodic basis for excess, obsolete or impaired inventory, and records a reserve for identified items.

Property and equipment

Property and equipment are stated at cost. Property and equipment includes specialized shipping containers provided to customers, in the United States, for transporting samples to the Company's laboratory for testing. Property and equipment financed under capital leases are initially recorded at the present value of minimum lease payments at the inception of the lease.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Property and equipment under capital leases and leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Depreciable lives range from three to ten years for laboratory equipment, office equipment and furniture and fixtures and three years for software and specialized shipping containers.

Revenue recognition

The Company derives product revenue from the sale of its diagnostic test kits and related accessories to a broad range of customers including hospitals, public health departments, commercial testing laboratories, importers and distributors.

Product revenue is generally paid directly by the customer and 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) collectibility is reasonably assured.

No product return rights are extended to customers of the Company.

The Company derives service revenue from tests performed on samples sent by customers to its diagnostic laboratories in the United States and the United Kingdom, and to contracted laboratories in other countries.

Service revenue in the United Kingdom and revenue from direct bill customers in the United States are recognized on an accrual basis when the following revenue 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) collectibility is reasonably assured. This service revenue is referred to as "direct-bill" sales because the Company receives payment directly from the ordering entity.

In the United States, the Company also generates revenue from payments that are received from a variety of third-party payors, including government programs (including Medicare and Medicaid) and commercial insurance companies, each with different billing requirements. Revenue from tests paid by third-party payors is generally recognized on an accrual basis based on the Company's historical collection experience. In certain instances, revenue is recognized on a cash basis when there is insufficient historical collection experience.

Taxes assessed by governmental authorities on revenue, including sales and value added taxes, are recorded on a net basis (excluded from revenue) in the consolidated statements of operations.

Cost of revenue: cost of product and cost of service

Cost of product revenue consists primarily of costs incurred in the production process, including costs of raw materials and components, assembly labor and overhead, quality management, royalties paid under licensing agreements and packaging and delivery costs.

Cost of service revenue consists primarily of costs incurred in the operation of the Company's diagnostic laboratories including labor and overhead, kit costs, quality management, consumables used in the testing process and packaging and delivery costs.

Shipping and handling

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

The Company generally bills product customers for shipping and handling and records the customer payments as product revenue. The associated costs are recorded as cost of product sold.

Impairment of long-lived assets

The Company 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 Company to believe that any of its long-lived assets may be impaired, the Company 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 fair value to the extent necessary.

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.

When determining the fair value of tangible assets acquired, the Company estimates the cost 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 changed 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.

Goodwill and indefinite-lived intangible assets

Goodwill

Goodwill is not amortized but is reviewed for impairment at least annually in the fourth quarter of the year, or when events or changes in the business environment indicate that all, or a portion, of the carrying value of the reporting unit may no longer be recoverable, using the two-step impairment review. Under this method, the Company compares the fair value of the goodwill to its carrying value. If the fair value is less than the carrying amount, a more detailed analysis is performed to determine if goodwill is impaired. An impairment loss, if any, is measured as the excess of the carrying value of goodwill over the fair value of goodwill. The Company also has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads it to determine that it is more likely than not (that is, a likelihood of more than 50%) that goodwill is impaired. If the Company chooses to first assess qualitative factors and it is determined that it is not more likely than not goodwill is impaired, it is not required to take further action to test for impairment. The Company also has the option to bypass the qualitative assessment and perform only the quantitative impairment test, which it may choose to do in some periods but not in others.

Indefinite-lived intangible assets

The Company's indefinite-lived intangible assets consist of acquired in-process research and development, or IPR&D, related to the Company's business combinations with Boulder, Imugen, Inc., or Imugen, and Immunetics, which were recorded at fair value on the acquisition dates. IPR&D intangible assets are considered indefinite-lived intangible assets until completion or abandonment of the associated research and development efforts. IPR&D is not amortized but is reviewed for impairment at least annually, or when events or changes in the business environment indicate the carrying value may be impaired. If the fair value of the intangible asset is less than the carrying amount, the Company performs a quantitative test to determine the fair value. The impairment loss, if any, is measured as the excess of the carrying value of the intangible asset over its fair value. The Company also has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads it to determine that it is more likely than not (that is, a likelihood of more than 50%) that its indefinite-lived intangible asset is impaired. If the Company chooses to first assess qualitative factors and it is determined that it is not more likely than not its indefinite-lived intangible asset is impaired, it is not required to take further action to test for impairment. The Company also has the option to bypass the qualitative assessment and perform only the quantitative impairment test, which it may choose to do in some periods but not in others.

The determinations as to whether, and, if so, the extent to which, acquired IPR&D become impaired are highly judgmental and based on significant assumptions regarding the projected future financial condition and operating results, changes in the manner of the use and development of the acquired assets, the Company's overall business strategy, and regulatory, market and economic environment and trends.

Definite-lived intangible assets

Intangible assets include technology licenses which are capitalized and amortized over estimated useful lives (generally in the range of five to twenty years) using the straight-line method. On an ongoing basis, the Company assesses the recoverability of its intangible assets by determining its ability to generate undiscounted future cash flows sufficient to recover the unamortized balances over the remaining useful lives. Intangible assets determined to be unrecoverable are expensed in the period in which the determination is made.

Derivative financial instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, interest rate or foreign currency risks.

The Company reviews the terms of the shares it issues to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as other income or expense. When equity instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value.

Fair value of financial instruments

The Company measures certain financial assets and liabilities at fair value based on the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. As of December 31, 2017 and 2016, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, prepaid expenses, and other accounts payable, accrued liabilities, and loans payable. See Note 2. *Fair value measurement*, to the consolidated financial statements for further information on the fair value of the Company's financial instruments.

Research and development expenses

Research and development expenses include all costs associated with the development of the Company's technology platforms and potential future products including new diagnostic tests that utilize the Company's technology platforms and are charged to expense as incurred. Research and development expenses include direct costs and an allocation of indirect costs, including amortization, depreciation, rent, supplies, insurance and repairs and maintenance.

Share-based compensation

The Company accounts for share-based compensation arrangements with employees, officers and directors by recognizing compensation expense based on the grant date fair value of share-based transactions in the consolidated financial statements.

Share-based compensation for options is 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 recognized as expense on a straight-line basis over the requisite service period. 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 Company's actual volatility and 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. The Company 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.

Certain employees have been granted restricted share units, or RSUs, and restricted shares. The fair value of RSUs and restricted shares are calculated based on the closing sale price of the Company's ordinary shares on the date of grant.

The cumulative expense recognized for share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company'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 recognized as of the beginning and end of that period. No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognized 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 recognized for the award is recognized 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.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of the Company's assets and liabilities and its financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adheres to the accounting guidance for uncertainties in income taxes, which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken, or expected to be taken, in a tax return. The Company accrues for the estimated amount of taxes for uncertain tax positions if it is more likely than not that the Company would be required to pay such additional taxes. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. The Company does not have any accrued interest or penalties associated with any unrecognized tax positions for the years ended December 31, 2017 and 2016.

Basic and diluted net loss per ordinary share

Basic income and loss per ordinary share are calculated by dividing the net income or loss by the weighted-average number of ordinary shares outstanding during the period. Diluted income per ordinary share is calculated by dividing net income by the weighted-average number of ordinary shares outstanding during the period plus the dilutive effect of outstanding instruments such as share options, RSUs and restricted shares. Diluted loss per ordinary share is the same as basic loss per ordinary share, as the effect of utilizing the fully diluted share count including share options, RSUs and restricted shares would reduce the net loss per ordinary share.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09, which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Under ASU 2014-09, a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In addition, ASU 2014-09 requires certain additional disclosures around the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has issued several amendments to the standard, including clarification on accounting for licenses of intellectual property, identifying performance obligations and other technical corrections. The guidance allows for either "full retrospective" adoption, meaning the standard is applied to all of the periods presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements. The Company has concluded that its diagnostic test kit sales agreements represent a single performance obligation recognized at a point in time, generally upon shipment. The Company's testing service contracts represent a single performance obligation recognized upon delivery of test results to the customer. The Company will adopt ASU 2014-09 on January 1, 2018, using the "modified retrospective" approach. The adoption of ASU 2014-09 will require expanded disclosures on revenue recognition, but is not expected to have a material impact on the Company's financial position or results of operations.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory*, or ASU 2015-11. ASU 2015-11 requires that an entity should measure inventory within the scope of ASU 2015-11 at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company adopted ASU 2015-11 prospectively as of January 1, 2017. The adoption of ASU 2015-11 did not have a material impact on the Company's financial position, results of operations or related disclosures. The Company updated its accounting policies to state that "inventory is stated at the lower of cost and net realizable value."

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. ASU 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The Company adopted ASU 2015-17 prospectively as of January 1, 2017. The adoption of ASU 2015-17 did not have a material impact on the Company's financial position, results of operations or related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases*, or ASU 2016-02. ASU 2016-02 requires lessees to put most leases on their balance sheets but recognize expenses on their income statements in a manner similar to current accounting. The guidance also eliminates real estate-specific provisions for all entities. The new guidance will be effective for the Company for annual and interim periods beginning after December 15, 2018. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Early adoption is permitted. The Company is currently evaluating ASU 2016-02 and has not yet determined how it may impact its financial position, results of operations or related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*, or ASU 2016-09. ASU 2016-09 is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. The Company adopted ASU 2016-09 as of January 1, 2017 using a modified retrospective, retrospective, or prospective transition method, depending on a specific amendment. The adoption of ASU 2016-09 did not have a material impact on the Company's financial position, results of operations or related disclosures. The Company made the accounting policy election to continue to estimate the number of awards that are expected to vest, as opposed to accounting for forfeitures when they occur. The Company updated its accounting policies to classify cash paid when withholding shares for tax-withholding purposes as a financing activity in its consolidated statements of cash flows.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*, or ASU 2016-13. ASU 2016-13 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. Under current U.S. GAAP, a company only considered past events and current conditions in measuring an incurred loss. Under ASU 2016-13, the information that a company must consider is broadened in developing an expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss. The new guidance will be effective for the Company for annual and interim periods beginning after December 15, 2019. Early adoption is permitted for annual and interim periods beginning after December 15, 2018. The guidance is applied using a modified retrospective, or prospective approach, depending on a specific amendment. The Company is currently evaluating ASU 2016-13 and has not yet determined how it may impact its financial position, results of operations or related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, or ASU 2016-15. ASU 2016-15 is intended to reduce the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The new guidance will be effective for the Company for annual and interim periods beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. The guidance should be applied retrospectively. The Company is currently evaluating ASU 2016-15, but does not expect it to have a material impact on its statement of cash flows.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes*, or ASU 2016-16. The guidance requires companies to recognize the income tax effects of intercompany sales and transfers of assets, other than inventory, in the income statement as income tax expense (or benefit) in the period in which the transfer occurs. The guidance is effective for annual periods beginning after December 15, 2017, and early adoption is permitted as of the beginning of an annual reporting period. ASU 2016-16 amendments should be applied on a modified retrospective basis. The Company is currently evaluating the impact of the adoption of ASU 2016-16 on its financial position, results of operations or related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, or ASU 2016-18. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The guidance should be applied retrospectively and is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company does not expect the adoption of ASU 2016-18 to have a material effect on its statement of cash flows.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations*, or ASU 2017-01. ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The new guidance will be effective for the Company for annual periods beginning after December 15, 2017, including interim periods within those periods. The guidance should be applied on a prospective basis and early adoption is not permitted. The Company does not expect the adoption of ASU 2017-01 to have a material effect on its financial position, results of operations or related disclosures.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other*, or ASU 2017-04. ASU 2017-04 simplifies subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. The new guidance will be applied on a prospective basis. ASU 2017-04 will be effective for the Company for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating ASU 2017-04, but does not expect its adoption to have a material impact on the Company's financial position, results of operations, or related disclosures.

In May 2017, the FASB issued ASU 2017-09, *Scope of Modification Accounting*, or ASU 2017-09. ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting of a share-based payment award. The guidance should be applied prospectively to an award modified on or after the adoption date. ASU 2017-09 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact of the adoption of ASU 2017-09, but does not expect its adoption to have a material impact on the Company's financial position, results of operations or related disclosures.

Under the U.S. Jumpstart our Business Startups Act, or the JOBS Act, emerging growth companies that become public can delay adopting new or revised accounting standards until such time as those standards apply to private companies. The Company irrevocably elected not to avail itself of this exemption from new or revised accounting standards and, therefore, it is subject to the same new or revised accounting standards as public companies that are not emerging growth companies.

2. Fair value measurement

As a basis for determining the fair value of certain of the Company's financial instruments, the Company utilizes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level I—Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level II—Observable inputs, other than Level I prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level III—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The carrying amount of certain of the Company's financial instruments, including cash, accounts receivable, prepaid expenses and other assets, accounts payable, and accrued liabilities approximate fair value due to their short maturities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the entire fair value measurement requires management to make judgments and consider factors specific to the asset or liability.

The following tables present information about the balances of liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques it utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The Company did not have any financial assets measured at fair value on a recurring basis.

		Fair value measurements at December 31, 2017 using		
(in thousands)	**December 31, 2017**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Liabilities:				
Contingent purchase price consideration	$ —	$ —	$ —	$ —
Total	$ —	$ —	$ —	$ —

		Fair value measurements at December 31, 2016 using		
(in thousands)	**December 31, 2016**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Liabilities:				
Contingent purchase price consideration	$ 3,475	$ —	$ —	$ 3,475
Total	$ 3,475	$ —	$ —	$ 3,475

The following tables provide a summary of changes in the fair value of the Company's Level 3 financial liabilities for the years ended December 31:

(in thousands)	**2017**
Balance – beginning	$ 3,475
Change in fair value of contingent purchase price consideration	(3,475)
Balance – ending	$ —

(in thousands)	**2016**
Balance – beginning	$ 1,293
Immunetics acquisition (Note 17)	3,444
Change in fair value of contingent purchase price consideration	244
Write-off of Boulder contingent purchase price consideration	(1,452)
Foreign currency adjustment	(54)
Balance – ending	$ 3,475

During the fourth quarter of 2016, the decision was made to halt research on the GoutiFind test, which was an assay intended to allow early diagnosis of gout and to better inform therapies by measuring the strength of the underlying uric acid induced inflammation. Based on this decision, the Company wrote off the related contingent purchase price consideration of $901,000. During the same quarter, the Company determined that the SpiroFind assay developed using IPR&D from Boulder would not qualify for future milestone payments. Due to this fact, the Company wrote off the related contingent purchase price consideration of $551,000.

On October 12, 2016, the Company acquired Immunetics, a Massachusetts based diagnostics company focused on developing specialized tests for infectious diseases, including tick-borne diseases, such as Lyme disease. The terms of the purchase agreement included contingent purchase price consideration consisting of up to an additional $6.0 million in cash payable on the achievement of certain revenue thresholds and pipeline related milestones over the next three years. The fair value of these milestone payments was estimated to be $3.4 million 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 4.4%, which are considered as Level 3 inputs. During March 2017, as a result of events subsequent to the acquisition, the Company determined that the timing for Food and Drug Administration approval of the *Babesia microti* product acquired from Immunetics would be more likely to occur after the cut-off date for a milestone to be earned. As a result, the Company reduced the related contingent purchase price consideration liability by $2.4 million. As FDA approval did not occur in the second quarter of 2017, the remaining accrual related to this milestone of $238,000 was written-off at that time. In the third quarter of 2017, the Company determined there to be a remote chance that the revenue thresholds for 2017 would be met and so the remaining contingent consideration liability of $880,000 was written-off.

The Company has a term loan outstanding under the MidCap agreement. The amount outstanding on its term loan is reported at its carrying value in the accompanying balance sheet. The estimated fair value of the term loan as of December 31, 2017 and 2016, based upon current market rates for similar borrowings, as measured using Level 2 inputs, approximates the carrying amount as presented on the consolidated balance sheets.

3. Accounts receivable, net

Accounts receivable, net, consisted of the following as of:

	December 31,	
(in thousands)	**2017**	**2016**
Accounts receivable	$ 17,807	$ 14,050
Less allowance for uncollectible accounts receivable	(826)	(785)
Accounts receivable, net	$ 16,981	$ 13,265

Activity for the allowance for uncollectible accounts receivable is as follows:

	December 31,		
(in thousands)	**2017**	**2016**	**2015**
Balance at beginning of period	$ (785)	$ (314)	$ (114)
Provision for bad debt expense	(48)	(471)	(200)
Write-off	7	—	—
Balance at end of period	$ (826)	$ (785)	$ (314)

4. Inventory, net

Inventory consisted of the following as of:

	December 31,	
(in thousands)	**2017**	**2016**
Raw materials	$ 6,927	$ 4,928
Work in progress	179	—
Finished goods	3,036	2,509
Inventory	$ 10,142	$ 7,437

5. Property and equipment, net

Property and equipment, net consists of the following as of:

(in thousands)	December 31, 2017	2016
Laboratory equipment	$ 8,137	$ 5,971
Leasehold improvements	3,885	3,199
Office equipment, furniture and fixtures	3,963	3,364
Software	2,526	1,479
Specialized shipping containers	3,303	2,655
Construction in progress	529	848
Property and equipment	22,343	17,516
Less accumulated depreciation	(13,276)	(9,723)
Property and equipment, net	$ 9,067	$ 7,793

For the years ended December 31, 2017, 2016 and 2015, the Company recorded depreciation expense of $3.3 million, $2.6 million and $2.0 million, respectively. Depreciation expense includes amortization of capital leases.

Depreciable lives range from three to ten years for laboratory equipment, office equipment, leasehold improvements, and furniture and fixtures and three years for software and specialized shipping containers.

For the years ended December 31, 2017 and 2016, there were no material capital leases, disposals or retirements.

6. Goodwill and intangible assets

The following table sets forth the changes in the carrying amount of goodwill for the years ended December 31, 2016 and 2017 (in thousands):

Balance at December 31, 2015	$ 45
Imugen acquisition (Note 17)	2,645
Immunetics acquisition (Note 17)	1,177
Impairment charge – Boulder goodwill	(43)
Foreign currency adjustment	(2)
Balance at December 31, 2016	3,822
Measurement period adjustments	145
Balance at December 31, 2017	$ 3,967

Acquired intangible assets consisted of the following as of December 31, 2017 and 2016 (in thousands):

	As of December 31, 2017			
	Amortization period (years)	Gross carrying amount	Accumulated Amortization	Net carrying amount
Imugen technology - clinical	15	$ 5,100	$ 510	$ 4,590
Imugen customer relationships	10	1,400	210	1,190
Imugen trademarks / trade names	16	1,140	107	1,033
Immunetics technology – clinical	15	883	72	811
Immunetics customer relationships	5 - 11	130	14	116
Immunetics trade name	5	30	8	22
Other	5 - 10	692	605	87
Total		$ 9,375	$ 1,526	$ 7,849

	As of December 31, 2016			
	Amortization period (years)	Gross carrying amount	Accumulated Amortization	Net carrying amount
Imugen in-process research and development	Indefinite	$ 9,200	$ —	$ 9,200
Imugen technology - clinical	15	5,100	170	4,930
Imugen customer relationships	10	2,700	135	2,565
Imugen trademarks / trade names	16	1,900	59	1,841
Immunetics in-process research and development	Indefinite	6,970	—	6,970
Immunetics technology – clinical	15	860	9	851
Immunetics customer relationships	5 - 11	400	11	389
Immunetics trade name	5	290	9	281
Immunetics grants	2	50	4	46
Other	5 - 10	632	518	114
Total		$ 28,102	$ 915	$ 27,187

The weighted average amortization period of our finite-lived intangible assets is 14 years. Amortization expense for the years ended December 31, 2017, 2016 and 2015 was $891,000, $435,000 and $92,000, respectively. Amortization expense related to acquired intangible assets is estimated at $0.7 million per year for each of the years 2018 through 2021 and $0.6 million in 2022.

The acquisition of Immunetics was accounted for under the acquisition method of accounting and the purchase price allocation was provisionally prepared during the fourth quarter of 2016. In the second quarter of 2017, the Company finalized the accounting for the acquisition and recorded the following measurement period adjustments:

- the fair value of the acquired inventory decreased by $45,000 with corresponding increases to the clinical technology asset of $22,500 and to goodwill of $22,500
- the fair value of the acquired customer relationships decreased by $50,000 with a corresponding increase to goodwill
- the fair value of the Immunetics trade name decreased by $130,000 with a corresponding increase to goodwill
- a $58,000 decrease to goodwill due to changes in income tax expense

The impact on the consolidated statement of operations was a $44,000 reduction in cost of product revenue, a $26,000 reduction in sales and marketing expense and a $58,000 increase in income tax expense.

During the fourth quarter of 2016, the Company recorded a non-cash IPR&D impairment charge of $1.4 million related to an assay for Lyme disease that was acquired in conjunction with the Boulder acquisition when it was determined that the Boulder IPR&D will not directly yield any products.

In the third quarter of 2017, due to increased competition in the molecular blood donor screening market for *Babesia microti*, the Company recorded an impairment charge of $11.1 million to write-off certain intangible assets acquired in conjunction with the 2016 acquisition of Imugen including:

- $9.2 million related to Imugen IPR&D;
- $1.1 million related to customer relationships; and
- $701,000 related to the Imugen trade name.

In mid-February, the Company received a complete response letter, or CRL, from FDA which raised a number of questions related to the Company's submissions in the fourth quarter of 2017 in support of licensure for the Immunetics *Babesia microti* blood donor screening assay. Given FDA's previous verbal comments to the Company, the CRL was unexpected and will delay licensure and commercialization of the assay. As a result, the Company recorded an impairment charge of $7.2 million to write off the intangible assets related to the assay including:

- $7.0 million related to Immunetics IPR&D;
- $166,000 related to the Immunetics trade name; and
- $98,000 related to customer relationships.

7. Accrued liabilities

Accrued liabilities consist of the following as of:

	December 31,	
(in thousands)	**2017**	**2016**
Employee related expenses	$ 6,162	$ 6,592
Royalties	1,419	4,423
Clinical trials	688	1,135
Other accrued liabilities	2,865	2,132
Total accrued liabilities	$ 11,134	$ 14,282

8. Loans payable

In June 2013, in conjunction with the lease for approximately 14,500 square feet of office space in Marlborough, Massachusetts, the Company received a payment of $582,000 from the landlord, representing approximately 80% of the cost to build-out the facility. In accordance with FASB Accounting Standards Codification 840, *Leases*, this reimbursement was recorded as a liability in loans payable and is being amortized over the life of the lease. At December 31, 2017, $77,000 is included in the balance sheet in current portion of loans payable and $159,000 is included in long-term portion of loans payable.

On October 4, 2016, the Company entered into an agreement with MidCap Financial Trust, or the MidCap agreement, that provided it with $40 million in debt financing, comprised of both a term loan and a revolving line of credit. The MidCap agreement provided the Company with a term loan of $30 million, which matures five years from closing. The term loan accrues interest at a rate of LIBOR plus 7.60% with interest only payments for the first 24 months, with the ability to extend to 48 months subject to certain conditions, before the loan begins to amortize. The Company has the intention and ability to extend the interest only period by at least six months. The MidCap agreement also provides the Company with a revolving line of credit of up to $10 million, which matures five years from closing. The revolving line of credit accrues interest at a rate of LIBOR plus 4.45%. The Company is also required to pay the lenders an unused line fee equal to 0.50% per annum of the average unused portion of the revolving line of credit. Based on certain conditions, both the term loan and revolving line of credit may be increased by an additional $10 million for a total of $60 million.

If the credit facility is terminated prior to the end of the term, the Company will pay to the lenders a fee as compensation for the costs of being prepared to make funds available to the Company throughout the term equal to an amount determined by multiplying the revolving line of credit commitment amount by 3.0% in the first year, 2.0% in the second year, and 1.0% in the third year and thereafter. Upon repayment in full of the loan, the Company is obligated to make a final payment fee equal to 6% of the aggregate loan amount.

The credit facility is collateralized by a perfected first priority security interest in all existing and after-acquired assets of the Company.

Under the Credit Agreement, the Company is subject to affirmative covenants which are customary for financings of this type, including, but not limited to, the obligations of the Company to: (i) deliver financial statements and other reports to MidCap, (ii) maintain insurance, (iii) maintain good standing, (iv) comply with all laws and material contracts, (v) provide certain other information and notices to MidCap, and (vi) protect the Company's intellectual property.

The Company is also subject to negative covenants customary for financings of this type, including, but not limited to, that without the prior consent of MidCap, the Company may not: (i) incur additional indebtedness, (ii) incur liens on the collateral, (iii) declare, order or set apart any distribution without permission, (iv) enter into a merger or consolidation or certain change of control events, or acquire another company, (v) amend material agreements or organizational documents, or (vi) enter into certain transactions with affiliates, in each case subject to certain exceptions provided for in the MidCap agreement.

The Company is also subject to financial covenants customary to financings of this type, which require the Company to achieve quarterly targets based on trailing 12 months net revenue. As of December 31, 2017, the Company was in compliance with all its covenants.

The MidCap Agreement provides that events of default include: (i) failure to make payment of principal or interest when required, (ii) failure to perform obligations under the MidCap agreement and related documents, (iii) defaults in other indebtedness and breaches of material agreements of the Company, (iv) voluntary case or other proceeding by the Company seeking liquidation, reorganization or other relief, (v) if the Company ceases to be a publicly-listed and reporting company and (vi) certain other events, including certain adverse actions taken by the FDA, CMS or other governmental authorities. Upon an event of default, the Company's obligations under the MidCap agreement may, or in the event of insolvency or bankruptcy will automatically, be accelerated.

The balance of the secured term loan due to MidCap as of December 31, 2017 is $30 million, and is recorded in the accompanying consolidated balance sheet, net of unamortized discount and debt issuance costs.

Future minimum payments required under the term loan and the revolving line of credit as of December 31, 2017 are as follows:

(in thousands)	**Term Loan**
2018	$ —
2019	8,000
2020	12,000
2021	10,000
2022	—
Thereafter	—
Total minimum payments	$ 30,000

The Company classifies current maturities of long-term debt that are expected to be refinanced on a long-term basis as long-term as they do not require the use of current assets.

In addition to the MidCap term loan payments listed above, the Company is required to pay an exit fee of 6.0% of the aggregate principal amount of all term loan borrowings (currently equal to $1.8 million). The 6% exit fee of $1.8 million is being accreted to interest expense through the maturity of the Midcap loan.

The Company did not borrow under the revolving line of credit during 2016 or 2017.

9. Share capital

During 2017, 500,182 ordinary shares were issued upon the exercise of options. As of December 31, 2017, there were 36,183,293 ordinary shares authorized and 25,661,634 ordinary shares issued and outstanding.

On August 14, 2017, the Company entered into an underwriting agreement, or the Underwriting Agreement, with BTIG, LLC, as sole underwriter, relating to the issuance and sale of 2,500,000 ordinary shares, nominal value £0.006705 per share, at a price to the public of $16.05 per share, or the Offering, which resulted in approximately $39.3 million of net proceeds to the Company after deducting underwriting discounts and estimated offering expenses. The Offering closed on August 18, 2017.

On January 29, 2015, the Company entered into an underwriting agreement, or the Underwriting Agreement, with J.P. Morgan Securities LLC and Piper Jaffray & Co., as representatives of the several underwriters named therein, collectively, the Underwriters, relating to the public offering, or the Offering, of 4,255,319 ordinary shares, nominal value £0.006705, or the Shares, at an offering price to the public of $11.75 per Share, or the Offering Price. The Underwriters agreed to purchase the Shares from the Company pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to an additional 638,297 Shares, or the Option Shares, at the Offering Price, less underwriting discounts and commissions. On January 30, 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to the Company from the sale of the Shares and the Option Shares were approximately $57.5 million and the Company received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by the Company. The Offering closed on February 4, 2015.

10. Share option and equity incentive plans

The Company has issued share options since 2003, restricted shares since 2014 and RSUs since 2015 to incentivize employees and directors providing services to the Company. Currently, the Company maintains two equity compensation plans, the Amended and Restated 2008 Stock Incentive Plan and the 2013 Share Incentive Plan, or the Plans. With the adoption of the 2013 Share Incentive Plan, or the 2013 Plan. With the adoption of the 2013 Share Incentive Plan, the Company is no longer authorized to grant awards under the Amended and Restated 2008 Stock Incentive Plan.

In November 2013, in connection with the Company's IPO, the Company adopted the 2013 Plan, which provides for the grant of share options, restricted shares, RSUs and other share-based awards to employees, officers, directors and consultants of the Company. The 2013 Plan authorized the Company to grant up to 2,684,563 ordinary shares with such amount automatically increasing annually on each January 1st through January 1, 2023 by 4% of the number of shares outstanding on the close of business of the immediately preceding December 31st, provided that the Board of Directors may limit the increase to a smaller amount or to no increase in any given year. The 2013 Plan was amended in April 2017 to delete the provision that allows for yearly increases to the shares available for issuance under the Plan. At that time, the maximum number of shares available for future issuance was also capped at 2,684,563, which is the original amount of shares allocated for issuance under the 2013 Plan. At December 31, 2017, there were 1,944,534 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 and RSUs, 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. For options granted prior to 2015, the vesting percentage was generally 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. Effective in 2015, the Company began granting options that vest in equal parts over four years starting on the vesting start date. Generally, restricted shares and RSUs 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 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 fair value of the options is amortized on a straight-line basis over the requisite service period of the awards. The weighted-average grant date fair value per share relating to share options granted under the Plans during the years ended December 31, 2017, 2016 and 2015 was $6.31, $4.53 and $6.33, respectively. Share-based compensation expense for restricted shares and RSUs is calculated based on the grant date market price of the shares and is also amortized on a straight-line basis over the requisite service period of the awards.

The fair value of each option granted under the Plans has been calculated on the date of grant using the following assumptions:

	2017	2016	2015
Expected dividend yield (%)	—	—	—
Expected volatility (%)	43.59	43.70	44.11
Risk-free interest rate (%)	1.98	1.53	1.66
Expected life of option (years)	6.20	6.16	6.19
Weighted-average share price ($)	14.06	10.29	14.15
Weighted-average exercise price ($)	14.06	10.29	14.15
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model

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

Expected volatility: As the Company operated as a private company until November 2013, there is not sufficient historical volatility for the expected term of the options. Therefore, in the first half of the year, the Company 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. In the second half of the year, the Company used 75% of average share price volatility of the peer group companies and 25% of its own average share price volatility. The Company intends to increase the weighting of its own historical share price volatility in its volatility factor calculation by 25% each year until a sufficient amount of historical information regarding the volatility of its own share price becomes available.

Risk-free interest rate: The Company 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 life of options (in years): Expected life of options represents the period that the Company's share option grants are expected to be outstanding. As the Company operated as a private company until November 2013, there is not sufficient historical share data to calculate the expected term of the options. Therefore, the Company 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 Company estimates forfeitures based on historical termination behavior. For the years ended December 31, 2017, 2016 and 2015, a forfeiture rate of 5% was applied.

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

	Number of ordinary shares	WAEP
Outstanding as of January 1, 2017	2,849,780	$ 9.15
Granted	856,417	14.06
Exercised	(500,182)	1.12
Forfeited	(101,402)	15.22
Outstanding as of December 31, 2017	3,104,613	11.62
Vested or expected to vest as of December 31, 2017	3,011,237	$ 11.57
Exercisable as of December 31, 2017	1,625,320	$ 10.35

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

	Number of ordinary shares	WAFV
Unvested balance as of January 1, 2017	329,465	$ 16.34
Granted	204,024	15.16
Cancelled	(11,451)	17.58
Vested	(103,520)	19.58
Unvested balance as of December 31, 2017	418,518	14.93

As of December 31, 2017, there was $6.7 million and $4.2 million of total unrecognized compensation cost related to unvested share options and unvested restricted shares and RSUs, respectively, granted under the Plans. The cost for unvested share options and unvested restricted shares and RSUs is expected to be recognized over weighted-average periods of 2.60 years and 2.53 years, respectively.

The aggregate intrinsic value of all share options outstanding under the Plans as of December 31, 2017 and 2016 was $10.7 million and $19.2 million, respectively. The aggregate intrinsic value of share options that were exercisable under the Plans as of December 31, 2017 and 2016 was $8.8 million and $15.6 million, respectively.

During the years ended December 31, 2017, 2016 and 2015, current and former employees of the Company exercised a total of 500,182, 85,943 and 41,222 share options, respectively, resulting in total proceeds of $561,000 during 2017, $76,000 during 2016 and $20,000 during 2015. The intrinsic value of share options exercised during the years ended December 31, 2017, 2016 and 2015 was $7.2 million, $1.0 million and $0.5 million, respectively. In accordance with Company policy, the shares were issued from a pool of shares reserved for issuance under the Plans described above.

A summary of the activity of the Company's unvested share options is as follows:

	Number of shares	Weighted-average grant date fair value
Balance as of December 31, 2016	1,178,602	$ 5.61
Granted	856,417	6.31
Vested	(491,702)	6.14
Forfeited	(64,024)	7.02
Balance as of December 31, 2017	1,479,293	5.83

The total fair value of shares vested for the years ended December 31, 2017, 2016 and 2015 was $3.1 million, $2.9 million and $1.9 million, respectively.

The impact on the Company's results of operations from share-based compensation for the years ended December 31, 2017, 2016 and 2015, was as follows:

(in thousands)	2017	2016	2015
Cost of revenue	$ 173	$ 57	$ 529
Research and development	766	548	86
Sales and marketing	1,913	1,725	1,045
General and administrative	3,012	2,689	1,825
Total share-based compensation	$ 5,864	$ 5,019	$ 3,485

For the year ended December 31, 2017, the Company incurred shared-based compensation expense related to share options and restricted shares and RSUs of approximately $3.6 million and $2.2 million, respectively. For the year ended December 31, 2016, the Company incurred shared-based compensation expense related to share options, and restricted shares and RSUs of approximately $3.2 million and $1.8 million, respectively. For the year ended December 31, 2015, the Company incurred shared-based compensation expense related to share options and restricted shares of approximately $2.4 million and $1.1 million, respectively.

11. Net loss per ordinary share

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net loss per share:

	Year ended December 31,		
($ in thousands)	2017	2016	2015
Numerator:			
Net loss	$ (32,885)	$ (22,349)	$ (24,478)
Denominator:			
Weighted-average ordinary shares outstanding-basic	23,757,902	22,353,713	21,781,933
Dilutive effect of ordinary share equivalents resulting from ordinary share options, unvested restricted shares and RSUs	—	—	—
Weighted-average ordinary shares outstanding-diluted	23,757,902	22,353,713	21,781,933

The following numbers of outstanding ordinary share options, restricted shares and RSUs were excluded from the computation of diluted net loss per share for the periods presented because their effect would have been anti-dilutive:

	Year ended December 31,		
	2017	2016	2015
Options to purchase ordinary shares	878,242	1,065,655	1,108,240
Unvested restricted shares and RSUs	418,518	329,465	366,739

12. Income taxes

The components of loss before income taxes are as follows for the years ended December 31:

(in thousands)	2017	2016	2015
Domestic (United Kingdom)	$ 18,171	$ (730)	$ 1,400
Foreign (United States)	(49,422)	(25,393)	(25,732)
Loss before income taxes	$ (31,251)	$ (26,123)	$ (24,332)

The components for the income tax (expense) benefit are as follows for the years ended December 31:

(in thousands)	2017	2016	2015
Current:			
Federal	$ —	$ —	$ —
U.K.	—	—	—
Japan	(14)	(85)	(116)
China	(39)	(12)	—
State	(46)	(51)	(30)
Total current provision	(99)	(148)	(146)
Deferred:			
Federal	—	752	—
U.K.	(1,535)	2,630	—
State	—	540	—
Total deferred (expense) benefit	(1,535)	3,922	—
Income tax (expense) benefit	$ (1,634)	$ 3,774	$ (146)

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company's effective income tax rate differs from the statutory domestic (United Kingdom) income tax rate as follows for the years ended December 31:

	2017	2016	2015
Income tax rate	19.3%	20.0%	20.3%
U.K. research and development credit	1.5	1.8	1.3
Effect of U.S. tax reform – Federal tax rate change	(68.6)	—	—
Permanent items	5.8	(1.8)	(1.0)
Other	3.7	(0.3)	(0.1)
Effect of foreign tax rate differential	33.2	16.8	10.7
Valuation allowance	(0.2)	(22.1)	(31.7)
Effective income tax rate	(5.3)%	14.4%	(0.5)%

The Company is headquartered in the United Kingdom and the effective U.K. corporate tax rate for the years ended December 31, 2017, 2016 and 2015 was 19.3%, 20.0%, 20.3%, respectively. The U.S. federal corporate tax rate was 34% for the years ended December 31, 2017, 2016 and 2015. The Company is subject to taxation in the U.S. and various state, local and foreign jurisdictions. The Company remains subject to examination by various tax authorities for tax years 2014 through 2017. With a few exceptions, the Company is no longer subject to examinations by tax authorities for the tax years 2013 and prior. However, net operating losses from the tax years 2013 and prior would be subject to examination if and when used in a future tax return to offset taxable income. The Company's policy is to recognize income tax related penalties and interest, if any, in its provision for income taxes and, to the extent applicable, in the corresponding income tax assets and liabilities, including any amounts for uncertain tax positions.

The United Kingdom's Summer Finance Bill, which was enacted on September 15, 2016, contained reductions in corporation tax to 19% from April 1, 2017 and 17% from April 1, 2020. The Company has adopted a 17% tax rate in respect of the deferred tax disclosures, reflecting the anticipated timing of the unwinding of the deferred tax balances.

Significant components of the Company's deferred tax assets and deferred tax liabilities are as follows for the years ended December 31:

(in thousands)	2017	2016
Deferred tax assets:		
Long term deferred tax assets:		
U.S. federal net operating losses	$ 33,713	$ 42,165
State net operating loss (net of federal)	8,450	5,198
U.S. federal research and development credit	587	273
U.K. net operating loss	1,894	2,419
Share options	2,611	1,884
Accrued liabilities	393	526
Intangible assets	2,392	—
State credits	377	85
Other	167	—
Total deferred tax assets	50,584	52,550
Valuation allowance	(48,098)	(46,473)
Total deferred tax assets	$ 2,486	$ 6,077
Deferred tax liabilities:		
Long term deferred tax liabilities:		
Other assets	$ —	$ (29)
Intangible assets	—	(3,418)
Total deferred tax liabilities	$ —	$ (3,447)

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, or the TCJA, was enacted. This tax reform legislation makes significant changes in U.S. tax law including a reduction in the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corporate alternative minimum tax. The legislation reduced the U.S. corporate tax rate from the current rate of 34% to 21% effective on January 1, 2018. As a result of the enacted law, the Company was required to revalue deferred tax assets and liabilities at the 21% rate. This results in a decrease in the company's net deferred tax asset and corresponding valuation allowance of $21.4 million. As the Company maintains a full valuation allowance against its net deferred tax asset position in the United States, this revaluation does not result in an income tax expense or benefit in the current period. The other provisions of the TCJA did not have a material impact on the 2017 consolidated financial statements.

For the years ended December 31, 2017 and 2016, the Company had United Kingdom Net Operating Losses (U.K. NOLs) of $11.1 million and $14.2 million, respectively. U.S. federal net operating loss carry forwards for the years ended December 31, 2017 and 2016 were $160.5 million and $125.3 million, respectively. U.S. State net operating loss carryforwards for the years ended December 31, 2017 and 2016 were $154.9 million and $112.5 million, respectively.

The U.S. federal and state net operating loss carryforwards begin to expire in 2027 and 2017, respectively and the U.K. NOLs can be carried forward indefinitely.

For the year ended December 31, 2017, the Company continues to recognize its deferred tax assets in the U.K related to OI Limited. The Company has determined that it is more likely than not that this asset of $2.5 million will be realized in the future. The Company continues to record a full valuation allowance against all other net deferred tax assets since it is not more likely than not that these amounts will be realized.

The following table reflects the rollforward of the Company's valuation allowance:

(in thousands)	2017	2016	2015
Beginning of year (January 1)	$ 46,473	$ 43,076	$ 35,361
Increase in valuation allowance	1,625	3,397	7,715
End of year (December 31)	$ 48,098	$ 46,473	$ 43,076

The Company reviewed its historical tax filings and tax positions and has determined no material uncertain tax positions exist at December 31, 2017 and 2016. The Company continues to monitor its tax filings and positions.

The Company generates research and development credits in the United Kingdom which are refundable if a current year loss is incurred. In the United Kingdom for the year ended December 31, 2017, no amounts were reimbursed for research and development tax credits.

The SEC staff issued SAB 118 which allowed the Company to record provisional amounts for the impact of the TCJA during a measurement period which is similar to the measurement period used when accounting for business combinations. At December 31, 2017, the Company made a reasonable estimate of the effects of the TCJA on our existing deferred tax balances. The final impact of the TCJA may differ from this estimate, possibly materially, due to, among other things, changes in interpretations and assumptions the Company has made and guidance that may be issued.

13. Intellectual property—license agreements

The Company entered into three license agreements by which it has secured certain patent rights that are necessary to make, use and sell the T-SPOT.*TB* test. In November 2013, one of these license agreements, with Oxford Innovation, was terminated in connection with the assignment by Oxford Innovation to the Company of certain intellectual property rights. The Company has ongoing obligations to make certain payments to Oxford Innovation while the assigned patents remain in force in certain countries.

On June 30, 2017, we entered into a Release and Settlement Agreement, or the Settlement Agreement, with Statens Serum Institut, or SSI, to resolve outstanding disputes arising from the license agreement with SSI. The terms of the Settlement Agreement are confidential. Based on the Settlement Agreement, we no longer expect to pay royalties to SSI.

The Company's existing license agreements related to its T-SPOT.*TB* test, as well as its previous license from Oxford Innovation, are generally exclusive in the stated field, cover a worldwide territory, are royalty-bearing and give the Company the right to grant sublicenses. The Company has minimum royalty obligations under each existing license agreement, which continue so long as patents licensed under the agreement remain unexpired. The minimum contractual royalty payments, including ongoing minimum payment obligations to Oxford Innovation after December 31, 2017 are set forth in the license agreements and supplier purchase obligations table in Note 15. *Commitments and contingencies*, to these consolidated financial statements.

The Company incurs royalties under each existing license agreement, has incurred royalties under the Oxford Innovation license agreement, and will incur continuing payment obligations to Oxford Innovation that are treated as royalties in these financial statements, based on its product and service revenue. The aggregate royalty expense relating to the three license agreements amounted to $4.5 million, $6.8 million and $5.1 million for the years ended December 31, 2017, 2016 and 2015, respectively. The Company paid other license-related expenses, including patent prosecution expenses, milestone payments and assignment fees due to these licensors, amounting to $0.1 million, $0.2 million and $0.2 million for the years ended December 31, 2017, 2016 and 2015, respectively. The aggregate royalty rate paid by the Company in the years ended December 31, 2017, 2016 and 2015, as a percentage of the gross product and service revenue of the Company, was 4%, 8% and 8%, respectively.

14. Employee benefit plans

In the United States, the Company has adopted a defined contribution plan (the U.S. Plan) which qualifies under Section 401(k) of the Internal Revenue Code. All U.S. employees of the Company who have attained 21 years of age are eligible for participation in the U.S. Plan upon employment. The effective date of the U.S. Plan was January 1, 2008. Under the U.S. Plan, participating employees may defer up to the Internal Revenue Service annual contribution limit. The Company began matching employee contributions as of July 1, 2016 and paid $0.6 million and $0.2 million in matching contributions in the years ended December 31, 2017 and 2016, respectively.

In the United Kingdom, the Company has adopted a defined contribution plan (the U.K. Plan) which qualifies under the rules established by HM Revenue & Customs. The U.K. Plan allows all U.K. employees to contribute a minimum of 5% of salary with no maximum limit. The contribution is matched by the Company, up to a maximum of 5% of salary. The Company paid to the U.K. Plan $0.6 million in contributions in the year ended December 31, 2017, $0.6 million in the year ended December 31, 2016 and $0.7 million in 2015.

15. Commitments and contingencies

Operating leases

At December 31, 2017, the Company leases facilities under six non-cancelable operating leases, with terms that expire between 2018 and 2025. The Company leases office, storage/warehouse, laboratory and manufacturing space in Abingdon, U.K., which leases are due to expire on January 31, 2025 (with respect to the storage/warehouse facility) and June 11, 2019. On March 1, 2013, the Company signed a five year lease for its U.S. corporate headquarters in Marlborough, Massachusetts. In August 2015, the Company entered into a lease amendment for this location to extend the term of the lease by two years through October 31, 2020. In addition, the lease amendment expanded the Company's office space at this location by 7,600 square feet to a new total of 22,100 square feet. The base rent for the combined space over the lease term will range from an initial low of $36,000 per month, which includes $12,000 per month for the expansion space commencing in early 2016, to a high of $39,000 per month. The Company will have an option to extend the lease for one additional term of five years. In addition, the Company leases laboratory space in Memphis, Tennessee, which lease is due to expire on December 31, 2021. The Company has an option to extend the lease for two additional terms of five years each. The two laboratory facilities acquired in 2016 are located in Norwood and Boston, Massachusetts. The Company currently leases approximately 58,000 square feet of space in Norwood and approximately 18,000 square feet in Boston. The Norwood lease expires in 2023, while the Boston lease expires in 2018. The Company's current rent under the Norwood lease is $975,000 annually, subject to annual increases. The Company's current rent under the Boston lease is $263,000 annually.

Future minimum lease payments required under the non-cancelable operating leases in effect as of December 31, 2017 are as follows:

(in thousands)	December 31, 2017
2018	$ 1,957
2019	1,595
2020	1,429
2021	664
2022	68
Thereafter	142
Total minimum lease payments	$ 5,855

Rent expense is calculated on a straight-line basis over the term of the lease. Rent expense recognized under operating leases totaled $2.5 million, $1.4 million and $0.9 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Purchase commitments

The Company has license agreements with third parties that provide for minimum royalty, license, and exclusivity payments to be paid by the Company for access to certain technologies. In addition, the Company pays royalties as a percent of revenue as described in Note 13. *Intellectual property—license agreements*, to these consolidated financial statements. In addition, the Company has outstanding purchase obligations to its suppliers.

Future minimum payments required under license agreements and supplier purchase obligations in effect as of December 31, 2017 are as follows:

(in thousands)	License agreements	Supplier purchase obligations	Total
2018	$ 90	$ 5,356	$ 5,446
2019	77	—	77
2020	27	—	27
2021	2	—	2
2022	2	—	2
Thereafter	2	—	2
Total minimum payments	$ 200	$ 5,356	$ 5,556

Legal contingencies

The Company is subject to claims and assessments from time to time in the ordinary course of business. The Company does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In accordance with its articles of association, the Company has indemnification obligations to its officers and directors for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in such capacity. There have been no claims to date, and the Company has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

16. Geographic revenue and long-lived assets distribution

The Company is domiciled in the United Kingdom and operates in three geographies: the United States, Europe and the Rest of the World (ROW), and Asia. Following is geographical information regarding the Company's revenues for the years ended December 31, 2017, 2016 and 2015 and the Company's long-lived assets as of December 31, 2017 and 2016.

	Revenue Years ended December 31,			Long-lived assets As of December 31,	
(in thousands)	**2017**	**2016**	**2015**	**2017**	**2016**
United States	$ 64,067	$ 49,462	$ 31,362	$ 7,374	$ 6,625
United Kingdom	3,041	2,620	2,836	1,487	922
Europe and ROW (excluding United Kingdom)	5,095	4,368	4,231	132	139
Europe and ROW	8,136	6,988	7,067	1,619	1,061
Asia	30,877	29,628	24,353	74	107
Total	$ 103,080	$ 86,078	$ 62,782	$ 9,067	$ 7,793

China represented approximately 46%, 44% and 46% of Asia revenue in 2017, 2016 and 2015, respectively. Japan represented approximately 51%, 55% and 53% of Asia revenue in 2017, 2016 and 2015, respectively.

17. Acquisition activity

Imugen, Inc.

On July 1, 2016, the Company acquired substantially all of the assets of Imugen, a privately owned Massachusetts corporation focused on the development and performance of testing for tick-borne diseases. The assets acquired primarily relate to Imugen's proprietary testing technology and its Clinical Laboratory Improvements Amendment, or CLIA, approved and College of American Pathologists, or CAP, approved laboratory in Norwood, Massachusetts.

The consideration for the acquisition of Imugen consisted of $22.2 million in cash. $1.8 million of the purchase price has been placed in escrow for a period of twelve months from the closing date to serve as security for potential indemnification claims. The Company filed the required financial statements (including pro forma financial statements) relating to the acquisition on a Form 8-K/A on September 9, 2016.

The acquisition of Imugen was accounted for under the acquisition method of accounting and the purchase price allocation was provisionally prepared during the third quarter of 2016. These provisional amounts have been finalized during the fourth quarter of 2016.

The table below summarizes the purchase price of the Imugen acquisition and the fair value of identified assets acquired at the acquisition date (in thousands):

Assets acquired:	
Property and equipment	$ 655
In-process research and development	9,200
Technology - clinical	5,100
Customer relationships	2,700
Trademarks / trade names	1,900
Total assets acquired	19,555
Add: Goodwill	2,645
Total consideration transferred	$ 22,200

On the date of the acquisition, the fair value of acquired intangible assets was determined to be $18.9 million using primarily the excess earnings method with significant inputs that are not observable, including estimates of the timing and cost required for product approval, revenue growth, gross margin, operating expenses and a discount rate of approximately 22%. We consider these intangible assets to be Level 3 fair value assets due to the significant estimates and assumptions used by management in establishing the estimated fair value.

Goodwill of approximately $2.6 million represents the excess of the purchase price of the acquired business over the fair value of the underlying net tangible and identifiable intangible assets and represents the expected synergistic benefits of the transaction, which relate to an increase in future revenues for the Company as a result of leveraging Imugen's systems and expertise of its employees. The goodwill is also related to the knowledge and experience of the workforce in place. Goodwill and IPR&D are indefinite-lived intangible assets and are not amortized. Rather, they are reviewed for impairment at least annually. There was no evidence of any impairments at December 31, 2016 and there were no impairment charges during the year ended December 31, 2016. Goodwill related to the Imugen acquisition is deductible for tax purposes over 15 years.

In the third quarter of 2017, due to increased competition in the molecular blood donor screening market for *Babesia microti*, the Company recorded an impairment charge of $11.1 million to write-off certain intangible assets acquired in conjunction with the 2016 acquisition of Imugen including:

- $9.2 million related to Imugen IPR&D;
- $1.1 million related to customer relationships; and
- $701,000 related to the Imugen trade name.

There was no evidence of any goodwill impairment at December 31, 2017 and there were no goodwill impairment charges during the year ended December 31, 2017.

During the year ended December 31, 2016, the Company incurred transaction costs of $475,000 associated with the acquisition of Imugen that were recorded within general and administrative expense in the statement of operations.

Actual results of operations for the year ended December 31, 2016 acquired from Imugen are included in the consolidated financial statements from the date of the acquisition, including revenues in the amount of $7.0 million and income from operations of $730,000, not including transaction costs.

Immunetics, Inc.

On October 12, 2016, the Company, through its indirect subsidiary, Oxford Immunotec, Inc., acquired Immunetics, a Massachusetts based diagnostics company focused on developing specialized tests for infectious diseases, including tick-borne diseases, such as Lyme disease. The assets acquired primarily relate to IPR&D related to a test for Babesia, fixed assets, customer relationships, the "Immunetics" trade name, Immunetics' proprietary testing technology for Lyme disease, and various government grants currently in progress.

Total consideration consisted of $6.0 million in cash and up to an additional $6.0 million in cash payable on the achievement of certain revenue thresholds and pipeline related milestones over the next three years. Approximately $400,000 of the purchase price is being held by the Company for a period of eighteen months from the closing date to serve as security for potential indemnification claims. The Company has determined that this liability is a Level 3 fair value measurement within the FASB's fair value hierarchy and the fair value was estimated to be $3.4 million 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 4.4%. Such liability is adjusted to fair value at each reporting date, with the adjustment reflected in general and administrative expenses. See Note 2. *Fair value measurement*, for information pertaining to changes in the fair value of this liability.

The acquisition of Immunetics was accounted for under the acquisition method of accounting and the purchase price allocation was provisionally prepared during the fourth quarter of 2016. In the second quarter of 2017, the Company finalized the accounting for the acquisition and recorded the following measurement period adjustments:

- the fair value of the acquired inventory decreased by $45,000 with corresponding increases to the clinical technology asset of $22,500 and to goodwill of $22,500
- the fair value of the acquired customer relationships decreased by $50,000 with a corresponding increase to goodwill
- the fair value of the Immunetics trade name decreased by $130,000 with a corresponding increase to goodwill
- goodwill decreased by $58,000 due to changes in deferred taxes

The impact on the consolidated statement of operations was a $44,000 reduction in cost of product revenue, a $26,000 reduction in sales and marketing expense and a $58,000 increase in income tax expense.

The Company paid approximately $655,000 in transaction costs associated with this transaction, which is included in general and administrative expense in the statement of operations for the year ended December 31, 2016.

Total consideration was (in thousands):

Cash consideration	$	6,000
Estimated fair value of contingent consideration		3,444
Total consideration transferred	$	9,444

The table below summarizes the final purchase price allocation for the Immunetics acquisition (in thousands):

Assets acquired:	
Cash	$ 285
Accounts receivable, net	347
Inventory, net	375
Prepaid expenses and other assets	199
Property and equipment	787
In-process research and development	6,970
Customer relationships	350
Trade name	160
Technology – clinical	883
Grants	50
Total assets acquired	10,406
Liabilities assumed:	
Accounts payable	(319)
Accrued liabilities	(739)
Other liabilities	(1,226)
Total liabilities assumed	(2,284)
Net assets acquired	8,122
Add: Goodwill	1,322
Total consideration transferred	$ 9,444

On the date of the acquisition, the fair value of acquired intangible assets was determined to be $8.4 million using primarily the excess earnings method with significant inputs that are not observable, including estimates of the timing and cost required for product approval, revenue growth, gross margin, operating expenses and discount rate rates ranging between 21.6% and 60.2%, depending on the levels of risk inherent in the various intangible assets. We consider these intangible assets to be Level 3 fair value assets due to the significant estimates and assumptions used by management in establishing the estimated fair value.

Goodwill of approximately $1.3 million represents the excess of the purchase price of the acquired business over the fair value of the underlying net tangible and identifiable intangible assets and represents the expected benefits of the transaction, which relate to an increase in future revenues for the Company as a result of leveraging Immunetics' systems and expertise of its employees. The goodwill is also related to the knowledge and experience of the workforce in place. Goodwill is an indefinite-lived intangible asset and is not amortized. Rather, it is reviewed for impairment at least annually. There was no evidence of any goodwill impairment at December 31, 2016 and 2017 and there were no impairment charges during the quarter ended December 31, 2016 and during the year ended December 31, 2017. The goodwill recognized is not deductible for tax purposes.

Due to a mid-February CRL from FDA regarding the Company's fourth quarter 2017 submissions in relation to its biologics license application for the Immunetics *Babesia microti* blood donor screening assay, the Company recorded an impairment charge of $7.2 million to write-off the related intangible assets.

Actual results of operations for the year ended December 31, 2016 acquired from Immunetics are included in the consolidated financial statements from the date of the acquisition, including revenues in the amount of $392,000 and loss from operations of $813,000, not including transaction costs.

Pro Forma Information (Unaudited): The unaudited pro forma condensed consolidated statement of operations of the Company, set forth below, gives effect to the Company's acquisitions of Imugen and Immunetics as if they occurred on January 1, 2015. These amounts are not necessarily indicative of the consolidated results of operations for future years or actual results that would have been realized had the acquisitions occurred as of those dates:

	Year Ended December 31,	
(in thousands, except share and per share data)	**2016**	**2015**
Total revenues	$ 92,860	$ 75,622
Net loss	$ (21,840)	$ (25,281)
Net loss per share—basic and diluted	$ (0.98)	$ (1.16)
Weighted average shares outstanding—basic and diluted	22,353,713	21,781,933

Pro forma net loss for the year ended December 31, 2016, excludes $2.7 million related to transaction costs and accelerated stock-based compensation costs incurred in connection with the Imugen and Immunetics acquisitions.

18. Restructuring

During the third quarter of 2017, the Company's management committed to a plan to terminate various government grants that were acquired as part of the acquisition of Immunetics. As a result, the Company terminated 15 employees during the fourth quarter of 2017 and recorded restructuring charges of $169,000 in research and development expense and $13,000 in general and administrative expense.

A summary of these charges and payments made to date are included in the below table. Accrued restructuring costs at December 31, 2017 are included in accrued liabilities in the accompanying balance sheet.

(in thousands)	Severance
Balance at December 31, 2016	$ —
Charge for restructuring	182
Payments	108
Balance at December 31, 2017	$ 74

In addition to the items listed above, the Company recorded charges in the third quarter of 2017 of $28,000 to write-off equipment having no future benefit to the Company and $26,000 to write-off the unamortized balance of the grant intangible.

19. Settlement expense

Settlement expense of $10.0 million, relates to the Settlement Agreement with SSI to resolve outstanding disputes arising from the Company's previous license agreement. The terms of the Settlement Agreement are confidential.

20. Litigation settlement income

In December 2017, as part the settlement of the Company's patent infringement action, the Company received a one-time, lump sum payment of $27.5 million from Qiagen.. The income from the settlement was recorded as a separate item in the other income (expense) section of the Company's consolidated statement of operations. See "Legal Proceedings" for more information.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.5

SECOND AMENDMENT
TO PURCHASE AGREEMENT

This Second Amendment to Purchase Agreement (the "Amendment") is made as of the final date of signature by the parties below by and between **Mabtech AB**, whose registered office is at Augustendalsvägen 9, SE-131 52, Nacka Strand, Sweden, hereinafter referred to as "Seller" or "Mabtech" and **Oxford Immunotec Limited**, whose registered office is at 94C Innovation Drive, Milton Park, Abingdon, Oxfordshire OX14 4RZ, UK, hereinafter referred to as "Buyer" or "OI".

WHEREAS:

A. The parties entered into a Purchase Agreement dated February 6, 2010, as amended by the Amendment to Purchase Agreement on September 10, 2013 (hereinafter referred to as the "Purchase Agreement").

B. The parties have agreed to amend certain terms and conditions of the Purchase Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1 Definitions

1.1 The terms defined in the Purchase Agreement shall have the same meaning in this Amendment, unless otherwise expressly agreed in this Amendment.

1.2 For the avoidance of doubt, (a) each instance of "[***]" in the Purchase Agreement, as amended hereby, refers to [***]; and (b) each instance of "[***]" in the Purchase Agreement, as amended hereby, refers to [***].

2 Amendments

2.1 Section 5.1 of the Agreement is hereby amended and restated in its entirety as follows:

> "The term of this Agreement shall be deemed to commence on 1st January 2010 (the "Effective Date") and remain in effect for an initial period ending 31st December 2023, unless terminated earlier by either party in accordance with Section 13.2 below. The Agreement shall continue indefinitely thereafter unless terminated by either party in accordance with Sections 13.1 or 13.2 below."

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

2.2 Section 13.1 of the Agreement is hereby amended and restated in its entirety as follows:

"In addition to what is provided in Sections 13.2 and 13.3, this Agreement may be terminated by either party by giving the other party not less than twelve (12) months prior written notice, provided that such notice shall not be given causing the Agreement to terminate before 31st December 2023."

2.3 The following is hereby added to Schedule 3:

"Beginning in 2018, the price for the Products shall be:

Antibody	Price (SEK)
[***]	[***]
[***]	[***]

No price increases shall occur prior to the [***] calendar year and the above pricing shall be subject to the following cumulative volume discounts based on orders placed during a given calendar year:

Antibody	**Volym**	**Discount**	**Volym**	**Discount**
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

By way of example, if OI places two orders during a given calendar year for [***], the first of which is for [***], and the second of which is also for [***], the first [***] of [***] shall be at a [***]% discount and the balance at a [***]% discount.

The foregoing volume discounts shall be determined by applying the percentage discount from the then applicable price and rounding down to the nearest cent.

Additionally, OI shall pay an amount equal to [***] per bottle of [***] packaged in accordance with the applicable Specifications. The price should be subject to change according to the Swedish consumer price index.

2.4 With respect to the parties' agreed undertaking under the Purchase Agreement to negotiate and enter into an escrow agreement, and have Seller's manufacturing process protocol deposited with an escrow agent and released to Buyer under certain situations, for the Buyer's subsequent use, the parties have agreed on the further terms attached hereto as **Appendix 1**. Within sixty (60) days following the execution of this Amendment, the parties shall negotiate and enter into, with an independent escrow agent, an escrow agreement, in a form with substantially similar provisions to those set forth in the form attached hereto as **Appendix 2** (the "Escrow Agreement"). The escrow agent shall be selected jointly by Buyer and Seller exercising reasonable discretion. The parties shall equally bear the fees charged by such escrow agent, and, unless the escrow agent separately invoices each party for its respective share of such fees, Buyer shall pay the escrow agent's fees as they become due and either (i) deduct one-half (1/2) of any such fees from the next payment due by Buyer to Mabtech hereunder; or (ii) separately invoice Seller for one-half (1/2) of any such fees. In the event of contradiction between the Escrow Agreement and the body of this Agreement and Appendix 1, as between the parties, the following order of precedence shall apply: 1) the body of this Agreement; 2) Appendix 1; and 3) the Escrow Agreement.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

2.5 The following is hereby added as a new Section 12.3:

> 12.3. Notwithstanding the foregoing, Mabtech acknowledges that OI and its affiliates have and may continue to have legal obligations to file this Agreement and any amendments hereto with the US Securities and Exchange Commission ("SEC") and to generally describe the relationship between the parties established by this Agreement in SEC filings. Mabtech hereby consents to OI doing so in the reasonable discretion of its legal counsel.

3 Miscellaneous

3.1 This Amendment and its Appendix 1 shall constitute an integrated part of the Purchase Agreement and all the other provisions, not amended in this Amendment, shall remain effective. Hence, for the avoidance of doubt, the provisions of Section 19 of the Purchase Agreement, including the provisions on governing law and dispute resolution shall apply to any dispute, controversy or claim arising under this Amendment or Appendix 1.

3.2 This Amendment shall become effective upon its execution by both parties.

This Amendment has been executed in two (2) copies, of which each party has taken one.

MABTECH AB

By: */s/ Staffan Paulie*
Name: Staffan Paulie
Title: CEO
Date: Nov. 16, 2017

OXFORD IMMUNOTEC LIMITED

By: */s/ Peter Edwardson*
Name: Peter Edwardson
Title: SVP and Head of Blood Screening
Date: 17th Nov 2017

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Appendix 1

[**APPENDIX 1 TO SECOND AMENDMENT TO PURCHASE AGREEMENT**
TERMS AND CONDITIONS FOR MANUFACTURING LICENSE AND ESCROW]

1. Definitions

1.1. "Release Event" shall mean any event entitling OI to practice its Manufacturing License as contemplated under Section 4.1 below;
1.2. "Mabtech Technology" shall mean Mabtech's confidential and proprietary technology and know-how useful to manufacturing the Antibodies;
1.3. "Documentation" shall mean Mabtech's documentation and records in relation to the manufacturing of the Antibodies, as the same may be modified, supplemented or amended from time to time;
1.4. "Escrow Agreement" shall have the meaning as set forth in the body of the Amendment;
1.5. "Escrowed Materials" shall mean the Documentation, including all corrections, modifications, enhancements and improvements from time to time made by Mabtech and to be deposited with the Escrow Agent as Revisions.
1.6. "Manufacturing License" shall have the meaning ascribed thereto in Section 2.1 below.
1.7. "Antibodies", "Diagnostic Kits", "Field" and "Product" shall have the meanings as ascribed to those terms in the Purchase Agreement; and
1.8. "Revisions" means any corrections, revisions, updates or enhancements made by Mabtech to the Documentation from time to time.

2. License and Deposit of Escrowed Materials

2.1. Mabtech hereby grants to OI and its Affiliates, under Mabtech's rights to the Mabtech Technology, a non-exclusive, worldwide, irrevocable, perpetual, transferable, sub-licensable, royalty free and fully paid up license to use the Escrowed Materials, effective only if and as from the date when the same are released to OI from escrow pursuant to Section 4 of this Appendix 1, for the sole purpose of (i) manufacturing (or having manufactured on its behalf) the Product and Diagnostic Kits, (ii) selling Diagnostic Kits for use in the Field, and (iii) research and development itself of new assays in the Field (the "Manufacturing License").
2.2. Within thirty (30) calendar days of the execution of an Escrow Agreement by all parties thereto, Mabtech shall deposit the Documentation with the Escrow Agent to be held by it in trust for the benefit of [the parties] pursuant to the terms of this Appendix 1 and the Escrow Agreement. Concurrent with such deposit and annually thereafter during the Term (as defined below), Mabtech shall deliver to OI a certificate of an officer who by his or her position will have knowledge stating that copies of all Documentation in its possession or control have been deposited with the Escrow Agent as Escrowed Materials and that the Escrowed Materials are complete and accurate and sufficient to permit a person reasonably skilled in the art to be able to implement the manufacture of the Antibodies.

2.3. In the event Mabtech makes any Revisions to the Documentation, Mabtech shall promptly deposit documentary materials evidencing such Revisions with the Escrow Agent to be held by it in trust for the benefit of the parties pursuant to the terms of this Appendix 1 and the Escrow Agreement. Mabtech will provide OI with notice of all such deposits and an updated certification as contemplated by Section 2.2 above.
2.4. Mabtech will replace any and all Escrowed Materials in the event of any loss or damage to the Escrowed Materials held by the Escrow Agent.
2.5. Mabtech hereby represents, warrants and covenants in favor of OI that the Escrowed Materials shall be complete and accurate and sufficient to permit a person reasonably skilled in the art to implement the manufacture of the Antibodies.

[TO BE ALIGNED WITH ESCROW AGENT REQUIRED TERMS]

3. Duration of Escrow Terms

3.1. The terms set forth in this Appendix 1 and the Escrow Agreement shall terminate only upon the earlier to occur of:
3.1.1. The date on which the Escrow Agent delivers the Escrowed Materials to OI or Mabtech in accordance with the terms of the Escrow Agreement;
3.1.2. The date on which OI elects to terminate the Escrow Agreement pursuant to Section 3.2 hereof; or
3.1.3. Upon the joint notice of OI and Mabtech.
3.2. OI may elect to terminate the Escrow Agreement at any time by giving written notice to the Escrow Agent and Mabtech, upon which the Escrowed Materials shall be returned to Mabtech.

[TO BE ALIGNED WITH ESCROW AGENT REQUIRED TERMS]

4. Release Event

4.1. Mabtech and OI agree that OI shall be entitled to receive a copy of the Documentation by having the Escrowed Materials released to OI, if mutually agreed by the Parties or upon OI's termination of the Purchase Agreement in accordance with Sections 13.2.1, 13.2.2 and 13.2.3 thereof (such a termination referred to as a "Release Event").
4.2. For the avoidance of doubt, disputes as to whether a Release Event has occurred shall be resolved in accordance with the dispute resolution provisions of the Purchase Agreement.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Appendix 2

[**APPENDIX 2 TO SECOND AMENDMENT TO PURCHASE AGREEMENT**
FORM OF ESCROW AGREEMENT]

ESCROW AGREEMENT

between
Mabtech AB,
Oxford Immunotec Ltd
and
[ ]

[Datum]

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

THIS ESCROW AGREEMENT (THIS "**ESCROW AGREEMENT**") IS ENTERED INTO ON [DD MM YYYY] AND MADE BETWEEN:

(1) **Mabtech AB**, having its registered office at Augustendalstorget 3, SE-131 52 Nacka Strand, Sweden (the "**Seller**");

(2) **Oxford Immunotec Limited**, having its registered office at 94C Innovation Drive, Milton Park, Abingdon, OX14 4RZ, United Kingdom (the "**Purchaser**"); and

(3) **[ ]**, having its registered office [ ] (the "**Agent**").

The Purchaser, Seller and the Agent are hereinafter jointly referred to as the "**Parties**" and individually as a "**Party**".

1. Background information

1.1 The Seller and the Purchaser have entered into a Purchase Agreement dated 6th February 2010, amended by way of an Amendment to Purchase Agreement as of 10th September 2013, and a Second Amendment to Purchase Agreement as of [ ] (together below referred to as the "Purchase Agreement") by which the Seller has undertaken to manufacture and sell Antibodies (as defined in said Purchase Agreement) to Purchaser.

1.2 Pursuant to the provisions of the above Amendments to Purchase Agreement, the Seller and the Purchaser have agreed that a copy of the Seller's manufacturing process protocol for the Antibodies will be deposited with an escrow agent and released to Purchaser under certain situations. The Seller and Purchaser have agreed that the documents to be deposited pursuant to said provision are those identified in **Appendix 1** (below together referred to as the "Escrow Documents").

1.3 The Parties have appointed [***] as Agent and the Agent has accepted such appointment.

1.4 This Escrow Agreement sets forth the terms and conditions on which the Agent shall hold and administrate the Escrow Documents.

2. Definitions

2.1 Unless otherwise defined in this Escrow Agreement, words and expressions defined in the Purchase Agreement shall have the same meaning in this Escrow Agreement.

2.2 In this Escrow Agreement, the following words and expressions shall have the following meanings:

"**Agent**" shall mean [ ].

"**Business Day**" shall mean a day during which banks in Sweden are open for business, however always excluding Saturdays.

"**Escrow Agreement**" shall mean this Escrow Agreement and all the schedules and Appendixes attached hereto, each of which is part of this Escrow Agreement.

"**Escrow Documents**" shall mean the documents identified in **Appendix 1**.

"**Joint Notice**" shall mean a written notice duly signed by the Purchaser and the Seller in the form set forth in **Appendix 2**, to be accompanied by certified copies of documentation showing the respective signing person/s identity and authority to sign for the respective company.

"Package" shall have the meaning defined in Section 3 below.

3. DEPOSIT OF DOCUMENTS

The Seller shall, within thirty (30) days from the day on which all Parties signed this Escrow Agreement, deposit with the Agent one (1) sealed package containing one (1) complete copy of the Escrow Documents (such package is below referred to as the "Package"). The Escrow Documents are to be stored on [a DVD], in the format of [X], unless otherwise agreed. The Seller shall state the following on the outside of the Package to be deposited:

1) the name of the parties;

2) the date of deposit; and

3) a declaration of items deposited.

The size of the Package must not, unless otherwise agreed, exceed the following size: [X].

The Agent is only responsible for deposition made in accordance with the terms and conditions stated above and is entitled, at the Seller's risk, to return any Package that is not deposited accordingly.

4. AGent's obligations

The Agent shall:

1) within seven (7) days from receipt of a Package in accordance with the terms and conditions of Section 3 above (and, if applicable, Section 5 item 2 below), confirm to the Seller and the Purchaser in writing its receipt thereof to the Seller and the Purchaser;

2) subject to the terms and conditions of this Escrow Agreement, store deposited Package/s with care in Sweden;

3) not release any Package, the Escrow Documents or any other material contained therein, otherwise than in accordance with this Escrow Agreement;

4) not open, take part of, copy or in any way use the Escrow Documents or any other material contained in any Package;

5) notify the Seller and the Purchaser if, at any time during the term of the Escrow Agreement, a Package, the Escrow Documents or any other material contained in any Package, has been damaged or destroyed and it has come to the Agent's knowledge.

5. Seller's obligations and warranties

5.1 The Seller shall:

1) be solely responsible for depositing a Package with the Agent within the time limits and in the manner set out in Section 3 above;

2) within fourteen (14) days of the receipt of a notification in accordance with Section 4 item 5 above, deposit replacement copies of the Escrow Documents, without requiring compensation, with the Agent in the manner set forth in Section 3 above;

3) at any time hold a copy of the latest deposited Escrow Documents;

5.2 The Seller warrants that the Package, when deposited with Agent hereunder, contains complete and accurate copies of the Escrow Documents.

6. RELEASE OF THE ESCROW

The Escrow Documents shall be released by the Agent in accordance with the following:

a) to the Seller and/or the Purchaser within three (3) Business Days following the date that the Agent has (i) received a Joint Notice specifying the date and recipient of the Escrow Documents and (ii) verified that the persons that have signed the Joint Notice are duly authorized to do so; or

b) to the Seller and/or the Purchaser within (a) three (3) Business Days following the receipt by the Agent from the Purchaser or the Seller of a final arbitration award, lawful decision, or a lawful judgment from a court of law for the release of the Escrow Documents, specifying the date and recipient or (b) the time required for the Agent to conclude that such arbitration award is legally binding, however in no event later than within fifteen (15) Business Days following the receipt of the arbitration award or lawful decision/judgement.

Each of Seller and Purchaser undertakes to promptly provide Agent with any reasonably requested documentation that Agent may deem required to verify the authority of the signatories to the Joint Notice as set forth under clause 6(a)(ii) above.

7. LIABILITY AND INDEMNIFICATION

7.1 The Agent's duties and responsibilities to the Seller and the Purchaser shall be limited to those set forth in this Escrow Agreement and the Agent shall neither be subject to nor obliged to recognize any other agreement between any or all of the Parties hereto.

7.2 The Agent shall not be held liable for any action taken by the Agent, its directors, officers, employees or any third party appointed by the Agent in good faith in accordance with this Escrow Agreement. The Agent shall only be held liable with respect to actions, claims, demands or proceedings, costs, charges, expenses and other liabilities relating to this Escrow Agreement that arise by reason of gross negligence or wilful wrong-doing by the Agent or any of its directors, officers, employees or any third party appointed by the Agent.

7.3 The Seller and the Purchaser agree to indemnify, jointly and severally, the Agent against all losses and damages suffered or incurred by the Agent in connection with the fulfilment of its obligations under this Escrow Agreement unless such losses or damages are suffered or occurred by reason of gross negligence or wilful wrong-doing by the Agent or any of its directors, officers, employees or any third party appointed by the Agent.

7.4 The Agent shall not be held liable for any damage which has arisen due to an enactment (Swedish or foreign), actions by any authority (Swedish or foreign), actions of war, strike, blockade, lockout or other similar circumstances. The exception with regards to strike, blockade and lockout shall be applicable even though the Agent itself is exposed to or takes such actions.

8. NOTICES

8.1 All notices, consents and other communications required or permitted under this Escrow Agreement shall be made in writing and be deemed to have been duly given by the Parties if delivered by hand or addressed and delivered by registered mail or a widely recognized courier service to the addresses set forth below or to such other addresses as may be given by written notice in accordance with this Section.

If to the Seller:

[•]

with a copy to:

[•]

If to the Purchaser:
Oxford Immunotec Limited
Attn: Chief Operations Officer
94C Innovation Drive, Milton Park
Abingdon, Oxfordshire OX14 4RZ
United Kingdom
with a copy to:
Oxford Immunotec, Inc.
Attn: General Counsel
700 Nickerson Road, Suite 200
Marlborough, MA 01752
USA

If to the Agent

[•]

8.2 A notice to the Purchaser or the Seller shall be deemed to have been delivered

a) if delivered by hand, upon actual delivery, and

b) three (3) Banking Days after delivery for conveyance of post if the notice has been sent by registered mail.

8.3 For the purpose of this Escrow Agreement, a notice to the Agent shall not be deemed to have been given until the Agent has confirmed the receipt of the notice in accordance with this Section.

9. COST AND CHARGES

9.1 Except as expressly otherwise provided herein, the Seller and the Purchaser, respectively, shall bear their own costs and expenses incurred in connection with this Escrow Agreement and the transactions contemplated herein, whether or not such transactions shall be completed, including, without limitation, all fees of its legal advisors, accountants and other advisors.

9.2 The Seller and the Purchaser agree that the Agent shall be entitled to the fees and charges set forth in **Appendix 3** (the "**Escrow Fees**").

9.3 The Escrow Fees shall be shared equally by the Purchaser and the Seller and paid against corresponding invoices issued by the Agent to each of the Purchaser and the Seller.

10. Term

Except as otherwise provided herein, this Escrow Agreement shall continue in force until the earlier of (i) December 31, 2023 and (ii) the date of which all deposited Escrow Documents have been released as provided in Section 6. This Escrow Agreement may not be prematurely terminated by any party, except that Seller and Purchaser, acting jointly, shall be entitled to terminate this Escrow Agreement, at any time, with one (1) months' notice, by a providing the Agent with a written notice of termination signed by Seller and Purchaser. Upon termination or expiration of this Escrow Agreement, the Escrow Documents shall be released to the Seller unless otherwise agreed between the parties or pursuant to a Joint Notice.

11. ENTIRE AGREEMENT

This Escrow Agreement contains the entire agreement between the Parties in connection with the subject matter of this Escrow Agreement and supersedes any previous written or oral agreement between the Parties in relation to the subject matters dealt with in this Escrow Agreement.

12. ASSIGNMENTS

This Escrow Agreement shall be binding upon and inure to the benefit of the successors and assignees of the Parties but shall not be assignable by any of the Parties without the prior written consent of the other Parties.

13. INVALIDITY

If any term or provision in this Escrow Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form a part of this Escrow Agreement but the enforceability of the remainder of this Escrow Agreement shall not be affected.

14. Confidentiality

The Parties hereby undertake, unless absolutely forced to, or to the extent required pursuant to applicable law (as determined by a party's legal counsel), including, but not limited to, to satisfy any requirement that the Purchaser's parent company publicly file material contracts with the U.S. Securities and Exchange Commission, to not reveal

c) the existence of or the content of this Escrow Agreement or arbitration award, or

d) information of negotiations, arbitrations or mediations under this Escrow Agreement.

15. WAIVER

No waiver by any of the Parties of any of the requirements hereof or of any of its rights hereunder, or any variation of this Escrow Agreement shall have effect unless given in writing and signed by the duly authorized representatives of the other Parties.

16. GOVERNING LAW AND DISPUTES

16.1 This Escrow Agreement shall be governed by and construed in accordance with the laws of Sweden.

16.2 Any dispute, controversy or claim arising out of or in connection with this Escrow Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules for the Arbitration Institute of the Stockholm Chamber of Commerce.

16.3 If the dispute relates to a claim not exceeding SEK one million (1,000,000), the rules for expedited arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply.

16.4 The place of arbitration shall be Stockholm. The language to be used in the arbitration proceedings shall be English.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

This Escrow Agreement has been drawn up in three (3) identical copies, of which the Seller, the Purchaser and the Agent have each received one copy.

Seller:

MABTECH AB

Name: [Name]

Purchaser:

OXFORD IMMUNOTEC LIMITED

Name: [Name]

Agent:

[***]

Name: [Name]

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

APPENDIX 1

ESCROW DOCUMENTS

Document ID	Document Name	Description

APPENDIX 2

To: [the Agent]

Dear [•]

JOINT NOTICE TO RELEASE ESCROW DOCUMENTS

In accordance with Section [•] of the Escrow Agreement, entered into between [•] and [•] as of [•] [YYYY] (the "**Escrow Agreement**"), we hereby jointly instruct you as the Agent to release on [•] [YYYY] (the "**Release Date**") the Escrow Documents to the recipient as specified below;

[RECIPIENT]
[ADDRESS]

Words and expressions defined in the Escrow Agreement shall have the same meaning when used herein. This notice shall governed by Section [•] (Governing Law and disputes) in the Escrow Agreement.

[Place], [DD MM YYYY]

MABTECH AB

Name: [Name]

[Place], [DD MM YYYY]

OXFORD IMMUNOTEC LIMITED

Name: [Name]

APPENDIX 3

ESCROW FEES

[X]

Exhibit 10.21

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

THIRD AMENDMENT TO DISTRIBUTORSHIP AGREEMENT

THIS THIRD AMENDMENT to Distributorship Agreement ("Amendment") is made this 13th day of November, 2017 by and between Oxford Immunotec Limited, a company incorporated in England with number 04516079, whose registered office is at 94C Innovation Drive, Milton Park, Abingdon, Oxfordshire OX154 4RZ (the "Company") and Fosun Long March Medical Science Co. Ltd., (registration number Shanghai Joint-Venture 000422) whose registered office and principal place of business is both at 830 Cheng Yin Road, Shanghai, China 200444 ("Fosun Shanghai I) and Shanghai Xin Chang Medical Device Co. Ltd (registration number 310110000477786), whose registered office and principal place of business is at number 830 Cheng Yin Road, Shanghai, China 200444 ("Fosun Shanghai II") (Fosun Shanghai I and Fosun Shanghai II are herein collectively referred to as "Distributors".)

WHEREAS,

A. The Company and Distributors are parties to a Distributorship Agreement dated 8 October 2013 (the "Distributorship Agreement"), and amended on or about 22 April 2015 (the "First Amendment"), and again on 3 November 2016 (the "Second Amendment as amended, pursuant to which Distributors were appointed to distribute Company's Products in the Territory; and,

B. The Company and Distributors now wish to further amend the Distributorship Agreement to incorporate the terms and conditions as set forth in this Third Amendment.

IT IS AGREED as follows:

1. Except to the extent defined in this Amendment, all capitalized terms shall have the definitions provided in the Distributorship Agreement.

2. The Parties agree that Schedule 1 to the Distributorship Agreement as set forth in the First Amendment shall be amended by deleting Subparagraph B in its entirety.

3. The Parties agree that for the Contract Year commencing 1 January 2017 (the "2017 Contract Year"), Fosun shall be entitled to a rebate equal to [***]% of the total value of Kits purchased by Fosun during the 2017 Contract Year (the "2017 Rebate"), which shall be paid as set forth below; *provided*, *however*, the 2017 Rebate shall only become due and payable if Fosun purchases a total of [***] Kits on or before 15 December 2017 (the "2017 Rebate Minimum"). If Fosun has not purchased the 2017 Rebate Minimum, the 2017 Rebate shall not become due and payable to Fosun. If applicable, the 2017 Rebate shall be paid to Fosun in the form of a credit to the final invoice for Kit purchases in 2017.

4. Except as amended hereby, all other terms of the Distributorship Agreement, as amended, shall remain in full force and effect.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN WITNESS that this Amendment has been executed by duly authorized officers of the parties to the Agreement the day and year first above written.

For and on behalf of Oxford Immunotec Limited

Signature: */s/ Dr. Peter Wrighton-Smith*

Name: Dr. Peter Wrighton-Smith

Title: CEO

Date: 13th Nov 2017

Place: Abingdon, UK

For and on behalf of Shanghai Fosun Long March Medical Science Co. Ltd.

Signature: */s/ Dr. Zhang Yue Jian*

Name: Dr. Zhang Yue Jian

Title: Chairman

Date: Dec. 20. 2017

Place: Shanghai

For and on behalf of Shanghai Xin Chang Medical Device Co. Ltd.

Signature: */s/ Dr. Zhang Yue Jian*

Name: Dr. Zhang Yue Jian

Title: Chairman

Date: Dec. 20. 2017

Place: Shanghai

Exhibit 10.33

Oxford Immunotec Global PLC 2013 Amended Share Incentive Plan

Approved by the Shareholders on June 6, 2017

Rules of the Oxford Immunotec Global PLC 2013 Share Incentive Plan
(as it may be amended from time to time, the "Plan")

1 Definitions

1.1 In this Plan, unless the context requires otherwise, the following words and expressions shall have the following meanings:

"Administrator" means the Remuneration Committee, except that the Remuneration Committee may delegate, in accordance with applicable law, (i) to one or more of its members (or one or more other members of the Board (including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by applicable law; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term "Administrator" will include the person or persons so delegated to the extent of such delegation.

"Award" means a grant in accordance with this Plan of a beneficial interest in Shares or an option or other right to acquire Shares including, but not limited to, Shares, Options, Restricted Shares, SARs, Share Units (including Restricted Share Units), Performance Awards, Awards (other than the foregoing Awards) that are convertible into or otherwise based on Shares, and Awards under a joint share ownership plan.

"Board" means the board of directors of the Company.

"Cause" means in the case of any Participant who is party to a service, employment or severance-benefit agreement that contains a definition of "Cause," the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect; in the case of any other Participant, "Cause" will mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant's duties and responsibilities to the Company or any member of the Group or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of any member of the Group; (iv) a significant violation by the Participant of the code of conduct of the Company or any member of the Group, of any material policy of the Company or any member of the Group, or of any statutory or common law duty of loyalty to the Company or any member of the Group; (v) material breach of any of the terms of the Plan or any Award made under the Plan, or of the terms of any other agreement between the Company or any member of the Group and the Participant; (vi) willfully misusing or disclosing the Group's confidential information or intellectual property; (vii) the insolvency or bankruptcy of a Participant; or (viii) other conduct by the Participant that could reasonably be expected to be harmful to the business, interests or reputation of the Company, or any member of the Group.

"Code" means the U.S. Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations under the Code and other binding regulatory guidance thereunder.

"Committee" means the Remuneration Committee of the Board.

"Company" means Oxford Immunotec Global PLC.

"Control" has the meaning given by sections 450 and 451 of the Corporation Tax Act 2010.

"Covered Transaction" means any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company's assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

"Date of Adoption" means the earlier of the date the Plan was approved by the Company's stockholders or adopted by the Board.

"Date of Grant" means in relation to any Award, the date on which such Award is granted in accordance with applicable law.

"Eligible Person" means any person who is eligible to participate in the Plan according to Rule 3. Unless otherwise provided by the Administrator, a Participant's status as an Eligible Person will be deemed to continue, so long as the Participant is employed by, or otherwise is providing services to, the Company or a member of the Group. If a Participant's employment or other service relationship is with a member of the Group other than the Company and that entity ceases to be a member of the Group, the Participant's status as an Eligible Person will be deemed to have terminated when the entity ceases to be a member of the Group unless the Participant transfers his or her employment or service to the Company or its remaining members of the Group.

"Employee" means any person who is employed by the Company or a member of the Group.

"Exercise Period" means in respect of any Award requiring exercise, the period commencing on the date or dates set out in the Award agreement evidencing such Award and ending no later than on the tenth anniversary of its Date of Grant (or, if earlier, upon it lapsing or terminating in accordance with these Rules or such Award agreement).

"Grantor" means a person granting an Option that may be: (a) the Company; or (b) the trustees of an employee benefit trust authorized by the Administrator or the Board to grant Options at the relevant time; or (c) any other person so authorized.

"Group" means the Company and every other company of which it has Control.

"ISO" means an Option intended to be an "incentive stock option" within the meaning of Section 422 of the Code. Each Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as of the date of grant, it is expressly designated as an ISO.

"Option" means an option entitling the holder to acquire Shares upon payment of the exercise price. ISOs, NSOs, Approved Options (as defined in the 2013 Approved Company Share Option Plan, the rules of which are set out in Appendix A hereto) and unapproved Options may be granted under the Plan.

"NSO" means any Option that is not intended to be an "incentive stock option" within the meaning of Section 422 of the Code.

"Participant" means the recipient of an Award under the Plan.

"Performance Award" means an Award subject to Performance Targets; the Administrator in its discretion may grant Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) of the Code and Performance Awards that are not intended so to qualify.

"Performance Target" means any specified performance target, other than the mere continuation of employment or service or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award, as set by the Administrator pursuant to Rule 7.1, and, for purposes of Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) of the Code, a Performance Target will mean an objectively determinable measure or measures of performance relating to any or any combination of the following (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after-tax basis; net income; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures, strategic alliances, licenses or collaborations; spin-offs, split-ups and the like; reorganizations; recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings; manufacturing or process development; or achievement of clinical trial or research objectives, regulatory or other filings or approvals or other product development milestones; a Performance Target and any goals with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss.

"Personal Data" means any personal information that could identify a Participant, including but not limited to, the Participant's date of birth, home address, telephone number, e-mail address, National Insurance number (or equivalent), Awards under the Plan or awards under any other employee share scheme operated by the Company.

"Restricted Shares" means Shares that are subject to restrictions on transfer, a risk of forfeiture or a right of repurchase by the Company under certain circumstances.

"Restricted Share Unit" means a Share Unit that is, or as to which the delivery of Shares or cash in lieu of Shares is, subject to the satisfaction of specified performance or other vesting conditions.

"SAR" means a right entitling the holder upon exercise to receive an amount (payable in cash or in Shares of equivalent value) equal to the excess of the fair market value of the Shares subject to the right over the base value from which appreciation under the SAR is to be measured.

"Shares" means ordinary shares in the capital of the Company.

"Share Pool" has the meaning set forth in Rule 5.

"Share Unit" means an unfunded and unsecured promise, denominated in Shares, to deliver Shares or cash measured by the value of Shares in the future.

"U.S. Participant" means a Participant the grant of an Award to whom or the exercise of an Award by whom is subject to taxation in the United States.

1.2 Where the context permits, the singular includes the plural and vice versa and the masculine gender shall include the feminine and vice versa. Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

2 Purpose

The purpose of the Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders.

3 Eligibility

The Administrator will select Participants from among key employees and directors of, and consultants and advisors to, the Company or a member of the Group.

4 Administration

The Administrator shall administer the Plan and shall have discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan and any Award; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures relating to the Plan; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. The Administrator's decision on the construction of the Rules and on any disputes arising under the Plan will be conclusive and will bind all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board or the Committee shall be liable for any action or determination relating to or under the Plan made in good faith.

5 Maximum Shares

5.1 Subject to adjustment as provided in Rule 12, the maximum number of Shares that may be delivered in satisfaction of Awards under the Plan is 2,684,563 (the "Share Pool").

5.2 Each Share subject to an Award consisting of Options and/or SARs shall be counted against the Share Pool as one (1.0) Share. Each Share subject to an Award other than Awards consisting of Options and/or SARs shall be counted against the Share Pool as 1.5 Shares. Any Shares that again become available for delivery under the Plan pursuant to Rule 5.3 shall be added back to the Share Pool in an amount determined in accordance with this Rule 5.2.

5.3 For purposes of this Rule 5, the number of Shares delivered in satisfaction of Awards will be determined net of Shares withheld by the Company in payment of the exercise price of the Award or in satisfaction of tax withholding requirements with respect to the Award and, for the avoidance of doubt, will not include any Share underlying Awards settled in cash or that otherwise lapse or expire or become unexercisable without having been exercised, that are forfeited to or repurchased by the Company due to failure to vest, or that otherwise are cancelled or terminated.

5.4 The Shares available for issuance under the Plan may consist, in whole or in part, of authorized and unissued Shares or treasury Shares.

6 Grant of Awards

6.1 **Award provisions**. The Administrator will determine the Eligible Persons to whom Awards are granted and terms of all Awards as set forth in an Award agreement, subject to the limitations provided herein. The Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which an Option or SAR will remain exercisable. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

6.1.1 Each Award shall state:

6.1.1.1. the Date of Grant;

6.1.1.2. the maximum number of Shares subject to the Award;

6.1.1.3. the exercise price (or the base value from which appreciation is to be measured), if any (which, in respect of any Option or SAR shall be not less than the fair market value of a Share on the Date of Grant);

6.1.1.4. in the case of an Award requiring exercise, the Exercise Period and the date or dates on which it will ordinarily become exercisable, and the number of Shares in respect of which it may then be exercised; and

6.1.1.5. in the case of an Award not requiring exercise, the date or dates on which the Award will vest, and the number of Shares in respect of which it vests;

and shall state, or have attached to it in the form of a schedule, any Performance Target or other conditions applicable to the Award and the Shares subject to it.

Subject to the foregoing, an Award agreement shall be in such form as the Administrator may determine from time to time.

6.2 **Grant of Approved Options.** Where an Award is intended to qualify as an Approved Option (as defined in the 2013 Approved Company Share Option Plan, the rules of which are set out in Appendix A), such Award shall be subject to the provisions of the 2013 Approved Company Share Option Plan.

6.3 **Grant of Award to U.S. Participant.** Where an Award is granted to a U.S. Participant, such Award shall be subject to the provisions of Appendix B to the Plan (*Special Provisions Applicable to Participants Subject to the United States Internal Revenue Code*).

6.4 **Dividend equivalents**. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Shares subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions may be subject to such limits or restrictions as the Administrator may impose.

6.5 **Coordination with other Plans**. Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Group. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Group may be settled in Shares available under the Plan (including, without limitation, unrestricted Shares) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Rule 5).

6.6 **Additional Restrictions.** The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or any member of the Group with respect to non-competition, non-solicitation or confidentiality. Without limiting the generality of the foregoing, the Administrator may recover Awards made under the Plan and payments under or gain in respect of any Award in accordance with any applicable Company clawback or recoupment policy, as such policy may be amended and in effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended.

7 Performance Targets

7.1 The exercise or vesting of any Award may by its terms be conditional upon, and/or the number of Shares which may be acquired on exercise or vesting of an Award and/or the number of Restricted Shares which may be forfeited may be determined by, the attainment of one or more objective Performance Targets. The terms of each Performance Target shall be determined by the Administrator in its discretion and shall be specified to the relevant Participant in the Award agreement.

7.2 If an event or circumstance that occurs during an applicable performance period (including, without limitation, a change in accounting policies or practice, a change in the length of the Company's accounting period or a change in the Company's capital structure, including any issue of shares or securities or any reduction of capital or a stock split (including a reverse stock split)) causes the Administrator reasonably to consider that a different Performance Target or Targets would be a more appropriate or fairer measure of performance or that any amended Performance Target or Targets will provide a more effective incentive to the applicable Participant, the Administrator may determine that a new Performance Target or Targets shall be substituted for the existing Performance Target or Targets applicable to such Award.

7.3 Where an Award is subject to the satisfaction of a Performance Target, that Award may not be exercised or vest (and any Restricted Shares comprised in that Award may not cease to be subject to forfeiture) except in accordance with or to the extent provided in the Award agreement and as determined by the Administrator after taking into account any adjustment pursuant to Rule 7.2.

8 Exercise and Lapse of Awards

8.1 No Award shall be capable of vesting or being exercised after the expiry of the Exercise Period. Any Award which has not vested or been exercised or that has lapsed or terminated before the expiry of the Exercise Period shall lapse and terminate upon the expiry of the Exercise Period.

8.2 Awards that require exercise may be exercised in accordance with their terms (and subject to satisfaction of any Performance Targets) at any time during the Exercise Period. Awards that do not require exercise shall (provided they have not lapsed or terminated and subject to satisfaction of any Performance Targets) vest (and Restricted Shares shall cease to be subject to forfeiture) on the date or dates and/or subject to satisfaction of any Performance Targets set out in the Award agreement.

8.3 The Administrator may at its discretion, accelerate the vesting or the commencement of the Exercise Period (or the date on which Restricted Shares shall cease to be subject to forfeiture) of any Awards if it considers it appropriate; provided, however, that the Administrator shall not have the authority to fully accelerate any Award unless (a) a change of Control (as defined in Appendix B) has occurred and (b) the Participant's employment with the Company has been terminated as a result of such change of Control.

8.4 Unless the Administrator expressly provides otherwise, the following rules will apply if a Participant ceases to be an Eligible Person:

8.4.1 Immediately upon the Participant ceasing to be an Eligible Person and except as provided in Rule 8.4.2 and 8.4.3, each Option and SAR that is then held by the Participant will cease to be exercisable and will lapse and terminate and all other Awards that are then held by the Participant to the extent not already vested will be forfeited.

8.4.2 Subject to Rule 8.4.3 and 8.4.4 below, all Options and SARs held by the Participant immediately prior to the Participant ceasing to be an Eligible Person, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months or (ii) until the expiry of the Exercise Period determined without regard to this Rule 8.4, and will thereupon immediately lapse and terminate.

8.4.3 All Options and SARs held by a Participant (or the Participant's estate, as applicable) immediately prior to the Participant ceasing to be an Eligible Person due to his or her death, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of 12 months or (ii) until the expiry of the Exercise Period determined without regard to this Rule 8.4, and will thereupon immediately lapse and terminate.

8.4.4 All Stock Options and SARs (whether or not exercisable) held by a Participant immediately prior to the Participant ceasing to be an Eligible Person will immediately terminate upon such cessation if the Participant's termination of employment or service is for Cause or occurs in circumstances that in the determination of the Administrator would have constituted grounds for the Participant's employment or service to be terminated for Cause.

9 Exercise Procedure

9.1 Exercise of an Award requiring exercise shall be by application in writing addressed to the Company and specifying the number of Shares in respect of which the Award is being exercised on that occasion and accompanied by payment in full of the aggregate exercise price (if any) for such Shares (or an undertaking in a form acceptable to the Company to pay the same). The application must be delivered or sent by prepaid post or in such other manner as the secretary of the Company may approve to the registered office for the time being of the Company (or to such other office as may from time to time be specified for the purpose). A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so.

9.2 Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator.

10 Non-transferability of Awards

Unless and to the extent the Administrator shall determine otherwise at the time of grant, Awards shall be personal to the person to whom they are granted and shall lapse forthwith if they are purportedly transferred (otherwise than to personal representatives upon death) assigned, mortgaged, charged or otherwise alienated or if that person is adjudicated bankrupt or does or suffers any other act or thing whereby he or she would or might be deprived of the legal or beneficial ownership of the Awards. Save in exceptional circumstances, the Administrator shall only permit the transfer or assignment of Awards to an associated person of the Participant (as defined in section 472 of the Income Tax (Earnings and Pensions) Act 2003).

11 Covered Transaction

Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction.

11.1 If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

11.2 Subject to Rule 11.5 below the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a "cash-out"), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the fair market value of one Share (as determined by the Administrator in its reasonable discretion) times the number of Shares subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Shares) and other terms, and subject to such conditions, as the Administrator determines, it being understood that if the exercise or purchase price (or base value) of an Award is equal to or greater than the fair market value of one Share, the Award may be cancelled with no payment due hereunder.

11.3 Subject to Rule 11.5 below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part and/or that the delivery of any Shares remaining deliverable under any outstanding Award of Share Units (including Restricted Share Units and Performance Awards to the extent consisting of Share Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the Shares, as the case may be, to participate as a stockholder in the Covered Transaction. Notwithstanding the foregoing, the Administrator shall not have the authority to fully accelerate vesting of any Award for a Participant that is an officer or director of the Company unless such Participant's employment with the Company has also been terminated.

11.4 Except as the Administrator may otherwise determine in any case, each Award will automatically lapse and terminate (and in the case of outstanding Restricted Shares, will automatically be forfeited) upon consummation of the Covered Transaction, other than Awards assumed pursuant to Rule 11.1 above.

11.5 Any Share and any cash or other property delivered pursuant to Rule 11.2 or Rule 11.3 with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Rule 11.2 or acceleration under Rule 11.3 will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Shares that do not vest and are not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Shares in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

12 Adjustments and Distributions with Respect to Shares

12.1 In the event of a share dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other similar change in the Company's capital structure, the Administrator will make appropriate adjustments to the maximum share limits described in Rule 5 and the limits described in Section 3(a) and 3(b) of Appendix B of the Plan, and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

12.2 References in the Plan to Shares will be construed to include any stock or securities resulting from an adjustment pursuant to this Rule 12.

12.3 Any adjustment by the Administrator pursuant to this Rule 12 will be conclusive and will bind all persons having or claiming any interest in the Plan or in any Award.

13 Legal Conditions on Delivery of Shares

The Company will not be obligated to deliver any Shares pursuant to the Plan or to remove any restriction from Shares previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such Shares have been addressed and resolved; (ii) if the outstanding Shares are at the time of delivery listed on any stock exchange or national market system, the Shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of applicable law. Any Shares required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates, or in such other manner as may be required by law. In the event that the Administrator determines that Share certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Shares issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Shares, and the Company may hold the certificates pending lapse of the applicable restrictions.

14 Establishment of Sub-Plans

The Administrator may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements or appendices to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All such supplements or appendices so established will be deemed to be part of the Plan, but each supplement or appendix will apply only to Participants within the affected jurisdiction (as determined by the Administrator).

15 Tax

15.1 If the Company or any other member of the Group is obliged under any applicable law to withhold an amount in respect of tax, social security or any like sum or to account for such an amount to any governmental or other authority in respect of the grant, exercise, vesting or settlement of an Award then:

15.1.1 it shall be a condition of exercise, vesting or settlement that the Participant put the Company or any other member of the Group, as applicable, in funds to account for such amounts to such governmental or other authority or otherwise enter into such arrangements with the Company or other member of the Group, as applicable, as are satisfactory to the Company or other member of the Group, as applicable, with regard to the obligation to withhold or account; or

15.1.2 the Company or other member of the Group, as applicable, shall be authorised to arrange for the sale of such number of Shares subject to the Award as are necessary to realise funds to pay the amount to be withheld and/or accounted for and transfer the balance to the Participant, or to hold back from the Award that same number of Shares (but not in excess of the minimum withholding required by law).

15.2 If permitted by law, the Administrator may upon grant of an Award direct that the Participant will be required as a condition of exercise or vesting at or before the time of exercise or vesting of the Award to enter into an agreement with the Company or other member of the Group, as applicable, to allow the Company or other member of the Group, as applicable, to recover the applicable national insurance contribution liability relating to the exercise or vesting of the Award or to enter into a joint election with the Company or other member of the Group, as applicable, that the applicable national insurance contribution liability shall be transferred to the Participant.

15.3 Notwithstanding any provision of this Plan, each Participant is solely responsible and liable for the satisfaction of all taxes and penalties of any kind that may be imposed on or for the account of such Participant in connection with the Plan.

16 Data Protection

16.1 In accepting the grant of an Award each Participant consents to the collection, holding, processing and transfer of the Participant 's Personal Data by the Company or a member of the Group for all purposes connected with the operation of the Plan.

16.2 The purposes of the Plan referred to in Rule 16.1 include, but are not limited to:

16.2.1 holding and maintaining details of the Participant's Awards;

16.2.2 transferring the Participant's Personal Data to the trustee of an employee benefit trust, the Company's registrars or brokers or any administrators of the Plan;

16.2.3 transferring the Participant's Personal Data to a bona fide prospective buyer of the Company or the Participant's employer company or business unit (or the prospective buyer's advisers), provided that the prospective buyer, and its advisers, irrevocably agree to use the Participant's Personal Data only in connection with the proposed transaction and in accordance with the data protection principles set out in the Data Protection Act 1998; and

16.2.4 transferring the Participant's Personal Data under rule 16.2.2 or rule 16.2.3 to a person who is resident in a country or territory outside the European Economic Area that may not provide the same statutory protection for the information as countries within the European Economic Area.

17 Alteration and Termination of the Plan

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that, except as otherwise expressly provided in the Plan, the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including applicable stock exchange requirements), as determined by the Administrator.

18 Relationship between the Plan and Participants' Employment

18.1 Participation in the Plan does not:

18.1.1 confer upon any person any right to participate in the Plan at any time in the future either at all or on any particular basis;

18.1.2 confer upon any person any right to continue in employment or service with any member of the Group;

18.1.3 restrict the right of any member of the Group to terminate the employment or service of any Participant without liability at any time with or without Cause;

18.1.4 impose upon the Board or the Committee any duty to exercise any power or discretion under the Plan to the advantage of the Participant; or

18.1.5 impose upon any member of the Group, the Board or the Committee or their representatives, agents and employees any liability whatsoever (whether in contract, tort, or otherwise howsoever) in connection with:

18.1.5.1. the loss of a Participant's right to receive Shares under the Plan or any lost value in respect of any such Shares or any Awards held by the Participant;

18.1.5.2. the loss of an individual's eligibility to be granted Awards under the Plan; and/or

18.1.5.3. the manner in which any power or discretion under the Plan is exercised or the failure or refusal of any person to exercise any power or discretion under the Plan.

18.1.6 Awards under the Plan shall not afford to a Participant any additional right to compensation on the termination of the Participant's employment or service which would not have existed had the Plan not existed and, accordingly, any individual who participates in the Plan shall waive any rights to compensation or damages in consequence of the termination of such individual's employment or service with a company in the Group for any reason whatsoever insofar as these rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of such termination or cessation or from the loss or diminution in value of such rights and/or entitlements notwithstanding any provision to the contrary in the Participant's contract of employment or service.

19 Term of Plan

No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

20 Governing Law

This Plan is governed by and shall be construed in accordance with English law and the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with it.

Appendix A

Sub-Plan to the Oxford Immunotec Global PLC

2013 Share Incentive Plan

2013 Approved Company Share Option Plan

Approved by HM Revenue & Customs on: [x] with reference number: [x]

Special Provisions Applicable to Approved Options granted pursuant to this 2013 Approved Company Share Option Plan Sub-Plan to the Oxford Immunotec Global PLC 2013 Share Incentive Plan (the "Appendix A Plan").

1 INTERPRETATION

1.1 When used in this Appendix A Plan, the following words and expressions shall have the meanings set out below. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Plan.

Appropriate Period: the meaning given by paragraph 26(3) of Schedule 4 to ITEPA;

Approval Date: the date of the approval of the Plan under Schedule 4 by HMRC.

Approved Option: means a right to acquire Shares granted under the Plan which complies with the applicable requirements of Schedule 4.

Approved Option Certificate: means a certificate setting out the terms of an Approved Option.

Approved Option Holder: means an individual who holds an Approved Option or, where applicable, his personal representatives.

Associate: has the meaning given to "associate" in paragraph 12 of Schedule 4.

Control: has the meaning given in section 719 and paragraph 35(2) to Schedule 4 of ITEPA 2003. **Controlled** shall be interpreted accordingly.

Dealing Day: means a day on which the NASDAQ Global Market is open for the transaction of business.

Eligible Person means an individual who is

(a) an Employee; or

(b) a director of the Company or an Associated Company (as defined in paragraph 35(1) to Schedule 4 to ITEPA) participating in the Plan who is contracted to work at least 25 hours per week for the Company or any Associated Company and its subsidiaries or any of them (exclusive of meal breaks);

who, in either case, does not have at the Date of Grant of an Option, and has not had during the preceding twelve months, a Material Interest in a Close Company (as defined in section 414 and 415 of Income and Corporation Tax Act 1988 as varied by paragraph 9(4) to Schedule 4 ITEPA) which is the Company or any Associated Company or a company which has Control of the Company or a member of a Consortium (as defined in paragraph 36(2) to Schedule 4 to ITEPA) which owns the Company.

Exercise Price: means the price at which each Share subject to an Approved Option may be acquired on the exercise of that Approved Option, which:

(a) if Shares are to be newly issued to satisfy the exercise of the Option, may not be less than the nominal value of a Share; and

(b) may not be less than the Market Value of a Share on the Date of Grant.

HMRC: means HM Revenue & Customs.

ITEPA 2003: means the Income Tax (Earnings and Pensions) Act 2003.

Key Feature: means any provision of the Plan that is necessary to meet the requirements of Schedule 4.

Market Value: means in the case of an Option granted under this Appendix A Plan:

(a) if at the relevant time Shares are listed on a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 the closing price of a Share on the relevant recognised stock exchange as reported in the Wall Street Journal on the Date of Grant of the Option;

(b) if paragraph (a) does not apply, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance for the purposes of the Plan with HMRC Shares and Assets Valuation on the Date of Grant of the Option or such earlier date or dates as may be agreed with HMRC Shares and Assets Valuation.

Material Interest: has the meaning given in paragraph 10 of Schedule 4.

Relevant Restriction: means any provision included in any contract, agreement, arrangement or condition to which any of sections 423(2), 423(3) and 423(4) of ITEPA 2003 would apply if references in those sections to employment-related securities were references to Shares.

Schedule 4: means Schedule 4 to ITEPA 2003, which provides for the approval of Company Share Option Plans by HMRC.

Shares: means ordinary shares in the Company that meet the requirements of paragraphs 16 to 18 and paragraph 20 of Schedule 4.

Tax Liability: means the total of:

(a) any PAYE income tax and primary class 1 (employee) national insurance contributions (or any similar liability to withhold amounts in respect of income tax or social security contribution in any jurisdiction) that any employer (or former employer) of an Approved Option Holder is liable to account for as a result of the exercise of an Approved Option; and

(b) if:

(i) such amounts may be lawfully recovered from the relevant Approved Option Holder; and

(ii) the relevant Option includes the requirement specified in Rule 5.3 of this Appendix A Plan,

any secondary class 1 (employer) national insurance contributions (or any similar liability for social security contribution in any jurisdiction) that any employer (or former employer) of an Approved Option Holder is liable to pay as a result of the exercise of an Approved Option.

1.2 Approved Options granted under this Appendix A Plan shall be subject to the terms of this Appendix A Plan and the Plan, except (a) in the instance and to the extent that any provision of this Appendix A Plan conflicts with provisions set out elsewhere in the Plan, the provisions of this Appendix A Plan shall prevail and (b) the following Rules of the Plan shall specifically be disapplied in relation to Approved Options: Rule 3, Rule 6.4, Rule 6.6, Rule 8.3, Rule 10, Rule 11.2, Rule 12.1, Rule 12.2 and Rule 15.

1.3 For the avoidance of doubt, the provisions of any other Appendices to the Plan (including Appendix B and Appendix C and any Appendices adopted from time to time) shall not apply to any Approved Options granted under this Appendix A Plan.

2. GRANT OF APPROVED OPTIONS

2.1 An Approved Option may not be granted:

(a) at any time when that grant would be prohibited by, or in breach of any:

(i) law; or

(ii) regulation with the force of law; or

(iii) non-statutory set of guidelines or code that applies to the Company or with which the Board or the Committee wishes to comply; or

(b) before the Approval Date; or

(c) to any person who is not an Eligible Person; or

(d) over any Share which does not form part of the Ordinary Share Capital of the Company, as defined in section 989 of the Income Tax Act 2007 (and such Shares shall at all times satisfy the requirements of paragraphs 15 to 20 of Schedule 4 to ITEPA).

2.2 For an Award to qualify as an Approved Option the following requirements must be met:

(a) The Approved Option Certificate granting the Award must, while the Plan is approved under Schedule 4, be in a form approved by the Administrator and HMRC.

(b) The Approved Option Certificate granting the Award must include a statement that:

(i) the Approved Option is subject to the Plan, Schedule 4 and any other legislation applying to share option plans approved under Schedule 4; and

(ii) the provisions listed in the foregoing Rule 2.2(b)(i) of this Appendix A Plan shall prevail over any conflicting statement relating to the Option's terms.

(c) The Option Certificate granting the Award must (1) specify the Exercise Price (which shall not be manife stly less than Market Value); (2) whether or not the shares are subject to any Relevant Restrictions and, if so, the nature of the Relevant Restrictions and (3) must be executed as a deed on behalf of the Company.

(d) The date(s) after which the Approved Option, or part of the Approved Option, is exercised, (unless an earlier event occurs to cause the Approved Option to lapse or to become exercisable, in whole or in part) may not be earlier than the third anniversary of the Date of Grant or later than the ninth anniversary of the Date of Grant;

(e) The date when the Approved Option will lapse, assuming that the Approved Option is not exercised earlier and no event occurs to cause the Approved Option to lapse earlier may not be:

(i) earlier than the date falling one year after the latest date specified under the foregoing Rule 2.2(d) of this Appendix A Plan; or

(ii) later than the tenth anniversary of the Date of Grant;

(f) The Approved Option shall be exercisable over 100% of the Shares over which it has been granted, unless a performance target or other condition has been imposed under Rule 2.4(a) of this Appendix A Plan and such performance target or condition has not been satisfied or has been satisfied in part only, in which event the Approved Option shall not be exercisable or shall only be exercisable in part in accordance with such performance target or condition.

2.3 **Transferability of an Approved Option.** An Approved Option shall not be transferable and shall be exercisable during the lifetime of the Approved Option Holder only by the Approved Option Holder. An Approved Option shall be personal to the Eligible Person to whom it is granted and, subject to Rule 8.4 of the Plan, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Approved Option Holder purports to transfer, charge or otherwise alienate the Approved Option.

2.4 **Performance target or other condition imposed on exercise of an Approved Option.**

(a) Any performance target or other condition consistent with Schedule 4 of ITEPA imposed on the exercise of an Approved Option shall be:
  (i) objective;
  (ii) such that, once satisfied, the exercise of the Approved Option is not subject to the discretion of any person; and
  (iii) stated on the Date of Grant.

(b) If an event occurs as a result of which the Board or the Committee considers that a performance target or other condition imposed on the exercise of an Approved Option is no longer appropriate and substitutes, varies or waives under Rule 7.2 of the Plan, the performance target or condition, such substitution, variation or waiver shall:
  (i) be reasonable in the circumstances and result in a fairer measure of performance; and
  (ii) produce a fairer measure of performance and be neither more nor less difficult to satisfy than the original performance condition when first set.

2.5 **Exercise of discretion by the Board.** In exercising any discretion which it may have under this Appendix A Plan, the Board or, where relevant, the Committee, shall act fairly and reasonably.

2.6 Approved Options shall only be granted under and subject to this Appendix A Plan. For the avoidance of doubt, any other sub-plan established under Rule 14 of the Plan shall not form part of this Appendix A Plan for the purposes of grants of Approved Options under Schedule 4 ITEPA.

3. INDIVIDUAL LIMITS ON GRANTS

3.1 The definitions in this Rule 3.1 apply in this Rule **3** of this Appendix A Plan:

Associated Company: has the meaning given in paragraph 35 of Schedule 4, which may be summarised (as at the Date of Adoption) as stating that two companies are associated companies if:

(a) one has control of the other (or had such control at any time within the preceding year); or

(b) both are under the control of the same person(s) (or were under such common control at any time within the preceding year).

In this definition, **control** has the meaning given by sections 450 and 451 of the Corporation Tax Act 2010.

Existing CSOP Options: all:

(a) Approved Options; and

(b) options granted under any other share option plan approved under Schedule 4 that has been established by the Company or any of its Associated Companies,

that can still be exercised.

3.2 References to Market Value in this Rule **3** of this Appendix A Plan are to the Market Value on the date on which the relevant option was granted.

3.3 An Approved Option may not be granted to an Eligible Employee if the grant (referred to in this Rule 3.3 as the Excess Option) would cause the total Market Value of shares subject to:

(a) the Excess Option; and

(b) all Existing CSOP Options held by the relevant Eligible Person,

to exceed £30,000 (or any other amount specified in paragraph 6 of Schedule 4 at the relevant time).

3.4 No Approved Option may be exercised when its exercise is prohibited by, or would be a breach of, any of the following that then apply:

(a) the NASDAQ stock market rules; or

(b) any other rule, code or set of guidelines (such as a personal dealing code adopted by the Company) with a similar purpose and effect to any part of the NASDAQ stock market rules; or

(c) any law or regulation with the force of law.

3.5 No Approved Option may be exercised at any time when the Approved Option Holder:

(a) has a Material Interest (any interests of the Approved Option Holder's Associates being treated as belonging to the Approved Option Holder for this purpose); or

(b) had a Material Interest in the 12 months before that time (any interests of the Approved Option Holder's Associates being treated as having belonged to the Approved Option Holder for this purpose).

4. MANNER OF EXERCISE OF OPTIONS

4.1 An Approved Option shall be exercised by the Approved Option Holder giving a written exercise notice to the Company that shall be made using a form that the Administrator will approve (subject to the prior approval of HMRC, while the Plan is approved under Schedule 4). Shares shall be allotted and issued (or transferred, as appropriate) within 30 days after a valid Approved Option exercise, subject to the other rules of the Appendix A Plan. Except for any rights determined by reference to a date before the date of allotment, Shares allotted and issued in satisfaction of the exercise of an Approved Option shall rank equally in all respects with the other shares of the same class in issue at the date of allotment.

5. TAX LIABILITIES

5.1 The definitions in this Rule 5.1 apply in this Rule 5 of this Appendix A Plan.

Employer NICs: Secondary class 1 (employer) NICs (or any similar liability for social security contribution in any jurisdiction) that are included in any Tax Liability (or that would be included in any Tax Liability if an election of the type referred to in Rule 5.3(b) of this Appendix A Plan had not been made) and that may be lawfully recovered from the Approved Option Holder.

Sufficient Shares: the smallest number of Shares that, when sold, will produce an amount at least equal to the relevant Tax Liability (after deduction of brokerage and any other charges or taxes on the sale).

5.2 Each Approved Option shall include a requirement that the Approved Option Holder irrevocably agrees to:

(a) pay to the Company, his employer or former employer (as appropriate) the amount of any Tax Liability; or

(b) enter into arrangements to the satisfaction of the Company, his employer or former employer (as appropriate) for payment of any Tax Liability.

5.3 Each Approved Option shall include a requirement that the Approved Option Holder irrevocably agrees that:

(a) the Company, his employer or former employer (as appropriate) may recover the whole or any part of any Employer NICs from the Approved Option Holder; or

(b) at the request of the Company, his employer or former employer, the Approved Option Holder shall elect (using a form approved by HMRC) that the whole or any part of the liability for Employer NICs shall be transferred to the Approved Option Holder.

5.4 An Approved Option Holder's employer or former employer may decide to release the Approved Option Holder from, or not to enforce, any part of the Approved Option Holder's obligations in respect of Employer NICs under Rules 5.2 and 5.3 of this Appendix A Plan.

5.5 If an Approved Option Holder does not fulfil his obligations under either Rule 5.2(a) or Rule 5.2(b) of this Appendix A Plan in respect of any Tax Liability arising from the exercise of an Approved Option within seven days after the date of exercise and Shares are readily saleable at that time, the Administrator shall withhold Sufficient Shares from the Shares that would otherwise be delivered to the Approved Option Holder. From the net proceeds of sale of those withheld Shares, the Administrator shall pay to the Company, employer or former employer an amount equal to the Tax Liability and shall pay any balance to the Approved Option Holder.

5.6 Approved Option Holders shall have no rights to compensation or damages on account of any loss in respect of Approved Options or the Plan where such loss arises (or is claimed to arise), in whole or in part, from any loss of approval under Schedule 4 that affects the Plan or any Approved Option, however such a loss of approval may be caused.

5.7 Each Approved Option shall include a requirement that the Approved Option Holder irrevocably agrees to enter into a joint election under section 431(1) or section 431(2) of ITEPA 2003, if required to do so by the Company, his employer or former employer, on or before the date of exercise of the Option.

5.8 For the avoidance of doubt, any withholding authorised under this Rule 5 or Rule 15 of the Plan shall only be permitted in connection with the exercise of an Approved Option granted under this Appendix A Plan.

6. VARIATION OF SHARE CAPITAL

If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of Approved Options to Approved Option Holders, the Administrator may adjust the number and description of Shares subject to each Approved Option and/or the Exercise Price of each Approved Option in a manner that the Administrator, in its reasonable opinion, considers to be fair and appropriate. However:

(a) while the Plan is approved under Schedule 4, no such adjustment shall be made without the prior approval of HMRC; and

(b) the total amount payable on the exercise of any Approved Option in full shall not be increased; and

(c) the Exercise Price for a Share to be newly issued on the exercise of any Option shall not be reduced below its nominal value (unless the Board or the Committee resolves to capitalise, from reserves, an amount equal to the amount by which the total nominal value of the relevant Shares exceeds the total adjusted Exercise Price, and to apply such amount to pay-up the relevant Shares in full).

7. CHANGE OF CONTROL AND OPTION ROLLOVER PROVISIONS

7.1 If any person obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company which is either unconditional or is made on a condition such that if it is satisfied the person making the offer will have control of the Company, an Option may only be exercised within the period of six months of the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

7.2 On a change of Control of the Company in accordance with Rule 7.1 only, an Approved Option Holder may at any time within the Appropriate Period, by agreement with the acquiring company, release any Option which has not lapsed ("the Old Option") in consideration of the grant to him of an Option ("the New Option") which (for the purpose of Part 6 of Schedule 4 to ITPEA 2003) is equivalent to the Old Option but relates to shares in a different company (whether the company which has obtained Control of the Company itself or some other company falling within paragraph 16(b) or (c) of Schedule 4).

7.3 The New Option shall not be regarded for the purposes of Rule 7.2 as equivalent to the Old Option unless the conditions set out in paragraph 27(4) of Schedule 4 to ITPEA 2003 are satisfied and the provisions of the Appendix A Plan shall for this purpose be construed as if:

(a) the New Option were an option granted under the Appendix A Plan at the same time as the Old Option;

(b) the reference to Oxford Immunotec Global PLC in the definition of "the Company" above were a reference to the different company mentioned in Rule 7.2, however the Appendix A Plan will remain that of Oxford Immunotec Global PLC; and

(c) all conditions imposed by Rule 7 of the Plan have been satisfied.

8. ADMINISTRATION AND AMENDMENT

8.1 While the Appendix A Plan is approved under Schedule 4, no amendment to a Key Feature shall have effect until approved by HMRC, to the extent required under the provisions applicable to Approved Options contained in ITEPA 2003.

Appendix B
to the
Oxford Immunotec Global PLC
2013 Share Incentive Plan

Special Provisions Applicable to Participants Subject to
the United States Internal Revenue Code

This Appendix B sets forth special provisions of the Plan that apply to U.S. Participants. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Plan.

1. Interpretation

(a) For the purposes of this Appendix B, the following terms have the following meanings:

(i) "**Section 162(m)**" means Section 162(m) of the Code and the Treasury Regulations thereunder.

(ii) "**Section 409A**" means Section 409A of the Code and the Treasury Regulations thereunder.

(iii) "**Section 422**" means Section 422 of the Code and the Treasury Regulations thereunder.

(b) The Plan and this Appendix B are complementary to each other and shall, with respect to Awards granted to U.S. Participants, be read and deemed as one. In the event of any contradiction, whether explicit or implied, between the provisions of this Appendix B and the Plan, the provisions of this Appendix B shall prevail with respect to Awards granted to U.S. Participants.

2. Eligibility

Eligibility for ISOs is limited to U.S. Participants who are employees of the Company or a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Options other than ISOs is limited to U.S. Participants who are providing direct services on the date of grant of the Option to the Company or to a subsidiary of the Company that would be described in the first sentence of Section 1.409A-1(b)(5)(iii)(E) of the Treasury Regulations under the Code.

3. Limitations on Awards Under the Plan

(a) Limitation on the Award of ISOs. A maximum of 8,053,691 Shares may be issued in satisfaction of ISOs. For purposes of this Section 3(a), the number of Shares delivered in satisfaction of Awards will be determined net of Shares withheld by the Company in payment of the exercise price of the Award or in satisfaction of tax withholding requirements with respect to the Award. The limit set forth in this Section 3(a) shall be construed to comply with Section 422.

(b) Individual Limits. The following limits will apply to Awards of the specified type granted to any U.S. Participant in any calendar year.

(i) Options: 1,043,997 Shares.

(ii) SARS: 1,043,997 Shares.

(iii) Awards other than Options or SARs: 521,998 Shares.

In applying the foregoing limits, (i) all Awards of the specified type granted to the same person in the same calendar year will be aggregated and made subject to one limit; (ii) the limits applicable to Options and SARs refer to the number of Shares subject to those Awards; and (iii) the share limit under clause (iii) refers to the maximum number of Shares that may be delivered, or the value of which could be paid in cash or other property, under an Award or Awards of the type specified in clause (iii) assuming a maximum payout. The foregoing provisions will be construed in a manner consistent with Section 162(m), including, without limitation, where applicable, the rules under Section 162(m) pertaining to permissible deferrals of exempt awards. In the Administrator's discretion, the foregoing limits shall apply to other Participants to the extent determined necessary or desirable for purposes of Section 162(m).

4. Rules Applicable to Awards

(a) All Awards. The special rules and limitations set forth in this Section 4(a) are applicable to Awards issued under the Plan to U.S. Participants.

(i) **Taxes**. The delivery, vesting and retention of Shares, cash or other property under an Award are conditioned upon full satisfaction by the U.S. Participant of all tax withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary. The Administrator may, but need not, hold back Shares from an Award or permit a U.S. Participant to tender previously owned Shares in satisfaction of tax withholding requirements (but not in excess of the minimum withholding required by law). Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan.

(ii) **Administration**. Without derogating from the powers and authorities of the Administrator set forth in the Plan, and unless specifically required under applicable law, the Administrator shall also have the authority to administer the provisions of this Appendix B in its discretion and to take all actions necessary or appropriate to carry out the purposes of the Plan and this Appendix B, in addition to any powers and authorities specified in the Plan, including the authority, in its discretion to determine the type of Award to be granted, including whether to grant Options as ISOs or as NSOs. In addition, in taking actions or making adjustments under Rules 11 or 12 of the Plan, the Administrator shall do so having due regard for the qualification of ISOs under Section 422, the requirements of Section 409A, and for the performance-based compensation rules of Section 162(m), where applicable.

(iii) **Transferability.** Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 4(a)(iii), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs (and, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 4(a)(iii), SARs and NSOs) may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.*, transfer not for value) of Awards other than ISOs, subject to such limitations as the Administrator may impose.

(iv) **Dividend Equivalents.** The entitlement, if any, to dividend equivalent amounts payable in respect of Awards will be established and administered in a manner either consistent with an exemption from, or in compliance with, the requirements of Section 409A.

(v) **Section 162(m).** In the case of any Performance Award (other than an Option or SAR) intended to qualify for the performance-based compensation exception under Section 162(m), the Administrator will establish the applicable Performance Target or Targets in writing no later than ninety (90) days after the commencement of the period of service to which the performance relates (or at such earlier time as required to qualify the Award as performance-based under Section 162(m)) and, prior to the event or occurrence (grant, vesting or payment, as the case may be) that is conditioned on the attainment of such Performance Target or Targets, will certify whether it or they have been attained. Notwithstanding anything to the contrary in the Plan, including, without limitation Rule 7, to the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m), the Administrator may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Targets applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, extraordinary items, and other unusual or non-recurring items, and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the performance period that affect the applicable Performance Target or Targets. Awards will not be required to comply with the provisions of the Plan applicable to performance based awards under Section 162(m) to the extent they are eligible (as determined by the Administrator) for exemption from the limitations of Section 162(m) by reason of the post-initial public offering transition relief in Section 1.162-27(f) of the Treasury Regulations under the Code.

(vi) **Coordination with Other Plans.** In any case where an award is made under another plan, scheme or program of the Company or any other member of the Group pursuant to the terms of the Plan and such award is intended to qualify for the performance-based compensation exception under Section 162(m), and such award is settled by the delivery of Stock or another Award under the Plan, the applicable Section 162(m) limitations under both the other plan, scheme or program and under the Plan will be applied to the Plan as necessary (as determined by the Administrator) to preserve the availability of the Section 162(m) performance-based compensation exception with respect thereto.

(vii) **Section 409A**. Each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(viii) **Fair Market Value**. In determining the fair market value of any Share under the Plan, the Administrator shall make the determination in good faith consistent with the rules of Section 422 and Section 409A to the extent applicable.

(ix) **Separation from Service**. In construing the provisions of any Award relating to the payment of "nonqualified deferred compensation" (subject to Section 409A) upon a termination or cessation of a Participant's service or employment with any member of the Group, references to termination or cessation of employment or service, termination or cessation of being an Eligible Person, separation from service, retirement or similar or correlative terms will be construed to require a "separation from service" (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations.

(b) Options and SARs. The special rules and limitations set forth in this Section 4(b) are applicable to Options and SARs issued under the Plan to U.S. Participants.

(i) **Maximum Term.** Options and SARs will have a maximum term not to exceed 10 years from the date of grant (five years from the date of grant in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422); provided, however, that if a U.S. Participant still holding an outstanding but unexercised NSO or SAR 10 years from the date of grant (or, in the case of an NSO or SAR with a maximum term of less than 10 years, such maximum term) is prohibited by applicable law or a written policy of the Company applicable to similarly situated employees from engaging in any open market sales of Shares, and if at such time the Shares are publicly traded (as determined by the Administrator), the maximum term of such Award will instead be deemed to expire on the 30th day following the date the Participant is no longer prohibited from engaging in such open-market sales.

(ii) **Exercise Price.** The exercise price (or the base value from which appreciation is to be measured) of each Award requiring exercise will be no less than 100% (or, in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the fair market value of the Shares subject to the Award, determined as of the Date of Grant, or such higher amount as the Administrator may determine in connection with the grant.

(c) Additional Provisions Applicable to Awards of ISOs.

(1) To the extent that the aggregate fair market value (determined as of the time the Option is granted) of the Shares with respect to which ISOs are exercisable for the first time by the U.S. Participant under all equity compensation arrangements or schemes of the Company and/or its Affiliates (if applicable) exceeds US$100,000 during any calendar year, the Options or portions thereof that exceed such limit shall be treated as NSOs in accordance with Section 422, notwithstanding any contrary provision of the Plan, this Appendix B and/or the Award.

(2) Without limiting the generality of the foregoing, if a U.S. Participant sells or otherwise disposes of any of the Shares acquired pursuant to the exercise of an ISO on or before the later of (x) the date that is two years after the date the ISO was granted, or (y) the that is date one year after the transfer of such Shares to the U.S. Participant upon exercise of the ISO, the U.S. Participant shall notify the Company in writing within 30 days after the date of any such disposition.

5. Amendment of Appendix B

The Administrator shall retain the power and authority to amend or modify this Appendix B to the extent the Administrator in its discretion deems necessary or advisable to comply with any guidance issued under Section 409A, Section 422 or Section 162(m). Such amendments may be made without the approval of any U.S. Participant.

6. Miscellaneous

(a) Waiver of Jury Trial. By accepting an Award under the Plan, each U.S. Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting an Award under the Plan, each U.S. Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a U.S. Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) Limitation of Liability. Notwithstanding anything to the contrary in the Plan or in this Appendix B, neither the Company, nor any other member of the Group, nor the Administrator, nor any person acting on behalf of the Company, any other member of the Group, or the Administrator, will be liable to any U.S. Participant or to the estate or beneficiary of any U.S. Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

Appendix C

Restricted Share Sub-Plan to the Oxford Immunotec Global PLC

Share Incentive Plan

Special Provisions Applicable to Restricted Shares granted to UK Employees pursuant to this Restricted Share Sub-Plan to the 2013 Oxford Immunotec Global PLC Share Incentive Plan (the "Appendix C Sub-Plan").

1. This Appendix C Sub-Plan is governed by the 2013 Oxford Immunotec Global PLC Share Incentive Plan (the "Plan") and all its provisions shall be identical to those of the Plan save for the provisions amended as below in order to accommodate the specific requirements of UK law.

2. Restricted Shares may be awarded under this Appendix C Sub-Plan and such awards of Restricted Shares shall be subject to the terms of the Plan and the Award agreement, except to the extent that awards of Restricted Shares under this Appendix C Sub-Plan shall only be made to Employees.

3. References to "the Plan" shall be substituted by "Sub-Plan" where appropriate in respect of Restricted Shares awarded to UK Employees under this Appendix C Sub-Plan.

4. INTERPRETATION

4.1 When used in this Appendix C Sub-Plan, the following words and expressions shall have the meanings set out below. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Plan.

"ITEPA 2003": means the Income Tax (Earnings and Pensions) Act 2003.

"Restricted Shares": means Shares that are subject to restrictions on transfer, a risk of forfeiture or a right of repurchase by the Company under certain circumstances.

"Restricted Share Holder": means the holder of Restricted Shares awarded under this Appendix C Sub-Plan.

"Tax Liability": means the total of:

(a) any PAYE income tax and primary class 1 (employee) national insurance contributions (or any similar liability to withhold amounts in respect of income tax or social security contribution in any jurisdiction) that any employer (or former employer) is liable to account; and

(b) if such amounts may be lawfully recovered any secondary class 1 (employer) national insurance contributions (or any similar liability for social security contribution in any jurisdiction) that any employer (or former employer) is liable.

5 PARTICIPANT'S TAX INDEMNITY

5.1 Participant agrees to indemnify the Company (and the Company for and on behalf of any other company in the Group) in respect of the Tax Liability. In order to give effect to this indemnity, Participant irrevocably authorises and appoints any director of the Company as his attorney and on his behalf:

5.1.1 to sell such number of the Shares registered in his name as will enable the Company (after payment of all necessary selling expenses and commissions) to recover from the sale proceeds an amount equal to the Tax Liability that shall arise in connection with the acquisition, holding, forfeiture, repurchase or sale of Restricted Shares;

5.1.2 to allow the Company or any Group Company to deduct from any cash amounts (including salary and bonuses) which become payable to the Participant by the Company or any company in the Group;

5.1.3 generally to sign any stock transfer form or other document which may be required and to do any other thing which the Company shall consider necessary or expedient for carrying out the acts hereby authorised in the same manner and as fully in all respects as he could have done personally; and

5.1.4 Participant hereby undertakes to ratify everything which the Company shall do or purport to do by virtue of this power of attorney.

5.2 To the extent permitted by law, Participant irrevocably agrees to pay the Company a sum equal to all secondary Class 1 national insurance contributions due on any amount chargeable to income tax under section 426 of ITEPA in respect of the Restricted Shares and/or to enter into an election with his employer to assume all the liability to Employer's NICs, due on any amount chargeable to income tax under section 426 of ITEPA in respect of the Restricted Shares, including an election under paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992.

5.3 If the Participant wishes to enter into an income tax election under section 425 or 431 of ITEPA ("Income Tax Election") such an election may only be valid if made not more than 14 days after the acquisition of the Restricted Shares. The Participant acknowledges that no employees, directors or officers of any Group Company have given the Participant financial, legal or taxation advice on the advantages and disadvantages of making an Income Tax Election.

Appendix D

Unapproved Option Sub-Plan to the Oxford Immunotec Global PLC

Share Incentive Plan

Special Provisions Applicable to Unapproved Options granted to UK Employees pursuant to this Sub-Plan to the 2013 Oxford Immunotec Global PLC Share Incentive Plan (the "Appendix D Sub-Plan").

1. This Appendix D Sub-Plan is governed by the 2013 Oxford Immunotec Global PLC Share Incentive Plan (the "Plan") and all its provisions shall be identical to those of the Plan save for the provisions amended as below in order to accommodate the specific requirements of UK law.

2. This Appendix D Sub-Plan governs the grant of Options over Shares in the Company. The Options granted under this Appendix D Sub-Plan shall be designated as Unapproved Options.

3. Such grants of Unapproved Options shall be subject to the terms of the Plan and the Award agreement, except to the extent that grants of Unapproved Options under this Appendix D Sub-Plan shall only be made to Employees.

4. References to "the Plan" shall be substituted by "Sub-Plan" where appropriate in respect of Options granted to UK Employees under this Appendix D Sub-Plan.

5. INTERPRETATION

5.1 When used in this Appendix D Sub-Plan, the following words and expressions shall have the meanings set out below. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Plan.

"ITEPA 2003": means the Income Tax (Earnings and Pensions) Act 2003.

"Unapproved Option": means an Option over shares in the Company that is neither an HM Revenue & Customs approved company share option (under Schedule 4 ITEPA 2003) nor an enterprise management incentive (EMI) option which meets the requirements of Schedule 5 ITEPA 2003.

Exhibit 10.44

Grant No. [ ]

Name:	**[—]**
Number of Shares of Stock Subject to Option:	**[—]**
Price Per Share:	**$ [—]**
Grant Date:	**[—]**
Vesting Start Date:	**[—]**

FORM OF
OFFICER STOCK OPTION AWARD

granted under Appendix D to the

OXFORD IMMUNOTEC GLOBAL PLC
2013 SHARE INCENTIVE PLAN

This agreement (this "**Agreement**") evidences a stock option granted by Oxford Immunotec Global PLC (the "**Company**") to the undersigned (the "**Optionee**") pursuant to the Company's 2013 Share Incentive Plan and Appendix D thereto (together, as amended from time to time, the "**Plan**").

1. Grant of Option. On the grant date set forth above (the "**Grant Date**") the Company granted to the Optionee an option (the "**Option**") to purchase, on the terms provided herein and in the Plan, up to the number of shares of Stock set forth above (the "**Shares**") at the exercise price per Share set forth above, in each case subject to adjustment pursuant to Rule 12 of the Plan in respect of transactions occurring after the date hereof.

The Option evidenced by this Agreement is intended to be an Unapproved Option. The Optionee is an employee of the Company and/or of one or more subsidiaries of the Company with respect to which the Company has a "controlling interest" as described in Treas. Regs. §1.409A-1(b)(5)(iii)(E)(1).

2. Meaning of Certain Terms. Each initially capitalized term used but not separately defined herein has the meaning assigned to such term in the Plan. The following terms shall be defined as set forth below:

"**Option Tax Liability**" shall mean any liability or obligation of the Company and/or any subsidiary to account (or pay) for income tax (under the UK withholding system of PAYE (pay as you earn)) or any other taxation provisions and primary class 1 National Insurance Contributions in the United Kingdom to the extent arising from the grant, exercise, assignment, release, cancellation or any other disposal of the Option or arising out of the acquisition, retention and disposal of the Shares acquired under this Plan.

"**Personal Representatives**" shall mean the personal representative(s) of the Optionee (being either the executors of his or her will or if he or she dies intestate the duly appointed administrator(s) of his or her estate) who have provided to the Board evidence of their appointment as such.

"**Secondary NIC Liability**" shall mean any liability to employer's Class 1 National Insurance Contributions to the extent arising from the grant, exercise, release or cancellation of the Option or arising out of the acquisition, retention and disposal of the Shares acquired pursuant to the Option.

"**Unapproved Option**" shall mean an option over shares in the Company that is neither an HM Revenue & Customs approved company share option (under Schedule 4 ITEPA) nor an enterprise management incentive (EMI) option which meets the requirements of Schedule 5 ITEPA.

3. Vesting. Unless earlier terminated, forfeited, relinquished or expired, and subject to the Optionee's continued employment through each vesting date, the Option shall vest and become exercisable in four (4) equal annual installments beginning on the first anniversary of the Vesting Start Date, with the number of Shares that vest on any such date being rounded down to the nearest whole Share and the Option becoming vested as to 100% of the Shares on the fourth anniversary of the Vesting Start Date. For the avoidance of doubt, the Option shall vest as follows:

Percentage of Option Vested	Vesting Date
25%	First anniversary of Vesting Start Date
25%	Second anniversary of Vesting Start Date
25%	Third anniversary of Vesting Start Date
25%	Fourth anniversary of Vesting Start Date

Notwithstanding the foregoing, in the event the Optionee is on an approved leave of absence from active employment for any reason, vesting will be suspended with respect to the Option during the period of the Optionee's leave of absence that extends beyond the first eight consecutive weeks of such leave (it being understood that upon the Optionee's return to active employment or service following such leave, vesting hereunder shall resume as of the first day of such return to active service).

(a). Effect of a Change in Control. If following the occurrence of a Change in Control (as defined below), the Optionee's employment is terminated by the Company other than for Cause, or terminated by the Optionee for Good Reason (as defined below), then the portion of the Option that has not vested as of the date of such termination shall become fully vested and exercisable in accordance with the terms of this Agreement (the "Accelerated Vesting"). If the Optionee's employment is terminated by the Optionee for Good Reason as defined in Paragraph 3(d)(ii)(1) through (8), Accelerated Vesting will only apply if the event constituting Good Reason (as defined in Paragraph 3(d)(ii)(1) through (8)) occurred within one year of the Change in Control and the Optionee provides notice to the Company of his election to terminate employment within ninety (90) days of the occurrence of the event constituting Good Reason.

(b). Definition of Change in Control. For purposes of this Agreement, "**Change in Control**" means the first to occur of any of the following events:

(i). an event in which any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "**1934 Act**") (other than (A) the Company, (B) any subsidiary of the Company, (C) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of any subsidiary of the Company, and (D) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Section 13(d) of the 1934 Act), together with all affiliates and associates (as such terms are used in Rule 12b-2 of the General Rules and Regulations under the 1934 Act) of such person, directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then outstanding securities, unless the transaction or transactions which resulted in the person becoming such a beneficial owner were approved by a majority of the directors on the Board;

(ii). the consummation of a merger or consolidation of the Company with any other company, other than (A) a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, more than 60% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) after which no "person" "beneficially owns" (with the determination of such "beneficial ownership" on the same basis as set forth in clause (i) of this definition) securities of the Company or the surviving entity of such merger or consolidation representing 40% or more of the combined voting power of the securities of the Company or the surviving entity of such merger or consolidation; or (C) a merger or consolidation after which individuals who were directors on the Board immediately prior to such merger or consolidation constitute at least a majority of the board of directors of the Company or its successor (or any parent thereof) immediately after such merger or consolidation;

(iii). if, during any period of two consecutive years (not including any period prior to the date the Plan was initially adopted), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has conducted or threatened a proxy contest, or has entered into an agreement with the Company to effect a transaction described in clause (i), (ii) or (iv) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office, who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(iv). the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets.

(c). Additional Definitions.

(i). **Cause** shall have the meaning set forth in the 2013 Share Incentive Plan.

(ii). **Good Reason** means any of the following: (1) a material reduction in the Optionee's base salary, unless such reduction is effected contemporaneously or in conjunction with a broader reduction in pay of other senior executives; (2) a material reduction in the Optionee's incentive compensation participation level (target incentive as a percentage of base salary) from what it has been at any time within the immediately preceding three years, unless such reduction is effected contemporaneously or in conjunction with a broader reduction in senior executive pay or incentive pay for other senior executives; (3) a material change in the equity compensation benefits available to the Optionee, unless such change is effected contemporaneously or in conjunction with a broader change in equity compensation benefits available to other senior executives; provided that the imposition of performance targets for the Optionee's equity compensation benefits shall not give rise to Good Reason, nor shall any difference in performance targets for equity compensation benefits provided to the Optionee and other senior executives constitute Good Reason; (4) the imposition of a change, not previously approved by the Optionee, whereby the Optionee's primary office location (where he is required to be physically present for the majority of time when he is not engaged in work-related travel) moves in such a way as to increase his one-way commuting distance by more than 20 miles; (5) the imposition of a requirement by the Board of Directors or other authority to whom the Optionee reports, without the approval of the Optionee, that increases the number of days of his international travel by more than ten percent (10%) from the average of such travel days during the immediately preceding two years; (6) the imposition by the Board of Directors or other authority to whom the Optionee reports of a work schedule that results in a materially adverse change to the Optionee's income tax residency status; (7) failure of the Board of Directors to recommend the Optionee for reelection to the Board when his term expires unless such failure is prompted by legal or corporate governance considerations; or (8) if, at any time on or after the one year anniversary of a Change in Control but prior to the third anniversary of the Change in Control, there is a change in the composition of the Board of Directors to whom the Optionee reports so that a majority of such Board is composed of individuals who were not directors immediately prior to the Change in Control.

4. Exercise of Option. No portion of the Option may be exercised until it vests and becomes exercisable in accordance with the terms of this Agreement. Each election to exercise must be made in accordance with the terms and conditions set forth in the Plan and comply with such rules as the Administrator prescribes from time to time and must be accompanied by payment in full in the form of cash or a check acceptable to the Administrator, to the extent permitted by the Administrator, through a broker-assisted cashless exercise program acceptable to the Administrator, or by such other form of payment, if any, as may be acceptable to the Administrator. Unless terminated earlier in accordance with the terms and provisions of the Plan and this Agreement, the latest date on which the Option or any portion thereof may be exercised is the date that is the tenth anniversary of the Grant Date (the "**Final Exercise Date**"); *provided, however*, if at such time the Optionee is prohibited by applicable law or written Company policy applicable to the Optionee and similarly situated employees from engaging in any open-market sales of Stock, the Final Exercise Date will be automatically extended to thirty (30) days following the date the Optionee is no longer prohibited from engaging in such open-market sales. Any portion of the Option that remains outstanding and has not been exercised by the Final Exercise Date will thereupon immediately terminate. Upon any earlier termination of employment, the provisions of Rule 8.4.1 – 8.4.4 of the Plan shall apply.

5. Forfeiture; Recovery of Compensation. By accepting the Option, the Optionee expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Option, under the Option, to any Stock acquired under the Option or to proceeds from the disposition thereof, are subject to Rule 6.6 of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 9 of this Agreement.

6. Nontransferability. Neither the Option nor any rights with respect to this Agreement may be sold, assigned, transferred (other than on the Optionee's death to the Optionee's Personal Representatives).

7. Taxes.

Withholding. The Optionee expressly acknowledges and agrees that the Optionee's rights hereunder, including the right to be issued shares upon exercise, are subject to the Optionee promptly paying to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld (including any Option Tax Liability and any Secondary NIC Liability). No shares will be transferred pursuant to the exercise of this Option unless and until the person exercising this Option has remitted to the Company an amount in cash sufficient to satisfy any federal, state, or local withholding tax requirements, or has made other arrangements satisfactory to the Company with respect to such taxes. The Optionee authorizes the Company and its subsidiaries to withhold such amount from any amounts otherwise owed to the Optionee, but nothing in this sentence shall be construed as relieving the Optionee of any liability for satisfying his or her obligation under the preceding provisions of this Section. The Optionee also agrees to sign a section 431 election (being an election made under section 431 of the Income Tax (Earnings and Pensions) Act 2003) on or before the exercise of this Option and, as a condition to the exercise of this Option, the Optionee shall pay on exercise the amount of any Option Tax Liability and any Secondary NIC Liability.

8. Effect on Employment. Neither the grant of the Option, nor the issuance of Shares upon exercise of the Option, will give the Optionee any right to be retained in the employ or service of the Company or any of its affiliates, affect the right of the Company or any of its affiliates to discharge or discipline such Optionee at any time, or affect any right of such Optionee to terminate his or her employment or service at any time.

9. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Grant Date has been furnished to the Optionee. By exercising all or any part of the Option, the Optionee agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control.

10. Acknowledgements. The Optionee acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument, (ii) this agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, shall constitute an original signature for all purposes hereunder and (iii) such signature will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Optionee.

This Agreement has been executed and delivered as a deed on [ ].

SIGNED as a Deed
By [insert name of Optionee]

_____
in the presence of:

_____
Witness signature:
Name:
Address:
Occupation:

SIGNED as a Deed
By OXFORD IMMUNOTEC GLOBAL PLC
acting by the under-mentioned
person(s) acting on the authority
of the Company in accordance
with the laws of the territory of
its incorporation

_____
Authorised signatory

_____
Authorised signatory

Exhibit 10.50

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into effective as of this ____ day of _____, 20__ (the "Effective Date") by and between [Oxford lmmunotec, Inc., a Delaware corporation with a usual place of business at 700 Nickerson Road, Suite 200, Marlborough, MA 01752][Oxford Immunotec Limited, a private company limited by shares formed under the Laws of England and Wales, with a registered address of 94C Innovation Drive, Milton Park, Abingdon, Oxfordshire OX14 4RZ] (the "Company") and _____ (the "Employee").

WHEREAS, Employee wishes to be employed by the Company;

WHEREAS, the Company wishes to retain the services of the Employee;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employee and the Company, intending to be legally bound, hereby agree as follows:

1. Term of the Agreement.

This Agreement shall govern the terms and conditions of the Employee's employment with the Company from and after the Effective Date. The Employee's employment shall continue with the Company upon the terms and conditions set forth in this Agreement for the period beginning as of the Effective Date and terminating as provided in Section 4 (such period, the "Employment Period").

2. Position and Responsibilities.

Position. The Employee shall be employed by the Company in the position of [*insert title*]. The Employee shall be responsible for [*insert brief job description*]. Employee shall perform all duties and responsibilities as are normally related to such position in accordance with the standards in the industry. The Employee shall also perform all additional duties now or hereafter reasonably assigned to the Employee by [*manager*] of the Company. The Employee shall abide by all policies, procedures and practices applicable to employees of the Company or its affiliates, Oxford Immunotec [Inc.] [Limited] and Oxford Immunotec Global PLC (the "Group Companies") (in each case, to the extent applicable to a [US-based] [UK-based] employee), as they may be amended from time to time. Without limiting the generality of the foregoing, the Employee acknowledges and agrees that as of the Effective Date s/he has signed and agrees to abide by the Company's Code of Conduct and the Confidentiality, Inventions Assignment, Non-Compete and Non-Solicitation Agreement dated as of the Effective Date (the "Restrictive Covenants Agreement"). The Employee will report to the [*manager*] of the Company, and the Employee's primary work location shall be [*insert location*]. [The Employee shall be required to travel significantly to Company offices and scientific meetings for performance of his duties, including undertaking international travel.]

2.1 Other Activities. Except upon the prior written consent of the Company, the Employee will not, during the Employment Period, (i) accept any other employment or (ii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that might interfere with the Employee's duties hereunder or create a conflict of interest with any of the Group Companies.

2.2 No Conflict. The Employee represents and warrants that his execution of this Agreement, employment with the Company, and the performance of the Employee's proposed duties under this Agreement, shall not violate any obligations the Employee may have to any other employer, person or entity, including any obligations with respect to proprietary or confidential information of any other person or entity.

3. Compensation, Benefits and Expenses.

3.1 Base Salary. In consideration of the services to be rendered under this Agreement, the Company shall pay the Employee a base salary at the rate of [*insert salary*] per annum ("Base Salary"). The Base Salary shall be paid in equal installments in accordance with the Company's regularly established payroll practice for executives. The Employee's Base Salary will be reviewed no less often than once per calendar year beginning in January [*year*] in accordance with the established procedures of the Company for reviewing salaries for similarly situated employees with the Group Companies.

3.2 Bonus. For each fiscal year completed during the Employment Period, the Employee shall be eligible to participate in the annual bonus plan maintained by the Company or Group Companies for its executives generally, as in effect from time to time (such plan, as so in effect from time to time, the "Bonus Plan"). The actual amount of any bonus payable to the Employee in respect of any fiscal year will be determined by the Board of Directors of the Group Companies (the "Board") or the Remuneration Committee thereof based on the achievement of performance objectives established by the Board or the Remuneration Committee thereof in accordance with the terms of the Bonus Plan and will be payable pursuant to the terms of the Bonus Plan. Bonus paid in the first year of employment will be prorated to reflect the date of hire.

3.3 Stock Options. The Employee shall be eligible to receive stock-based awards under the equity incentive plan or program maintained by the Group Companies for its executives generally, as in effect from time to time, in the discretion of the Board or the Remuneration Committee thereof. It is agreed that the Employee's initial stock-based awards shall be made effective as of the first date of employment (i.e., [*date*]), the awards consisting of options over ordinary shares of the Company with a value of [*amount*] and a grant of restricted share units with a value of [*amount*] as of the date of grant (the "Initial Awards"). The date of grant for the Initial Awards shall be [*date*] and the exercise price of the options shall be the closing price on the date of grant. The Initial Awards and all other stock-based awards which Employee may receive from time to time during the term of employment shall be subject to the terms of the Company's 2013 Share Incentive Plan, as amended.

3.4 Other Benefits. The Employee shall be eligible to participate in standard employee benefits offered by the Company from time to time in accordance with Company policies and plan terms. All such policies and plans are subject to amendment from time to time at the Company's sole discretion. The Employee will receive vacation and other paid time off in accordance with the Company's vacation, holiday and other policies, which may be modified by the Company from time to time.

3.5 Expenses. The Company will reimburse the Employee for reasonable business expenses incurred in the performance of his duties hereunder in accordance with the Company's expense reimbursement policies, which will include timely submission of expense reports and appropriate receipts.

4. At Will Employment, Termination and Severance.

4.1 At-Will Termination by the Company. The Employee's employment with the Company shall be "at-will" at all times. The Company may terminate the Employee's employment with the Company at any time, without advance notice, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. Upon such termination, the Employment Period shall end, and upon and after such termination, all obligations of the Company and the Employee under this Agreement shall cease, except as otherwise provided herein.

4.2 At-Will Termination by the Employee. The Employee's employment with the Company shall be "at-will" at all times. The Employee may terminate his employment with the Company at any time for any reason or no reason at all, upon one (1) month's advance written notice, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company. During such notice period, the Employee shall continue to diligently perform all of his duties hereunder. The Company shall have the option, in its sole discretion, to make the Employee's termination effective at any time prior to the end of such notice period as long as the Company pays the Employee all compensation to which the Employee is entitled up through the last day of the one month notice period. Following such termination, the Employee shall cooperate reasonably with the Company in responding to requests for information and other transitional matters. Upon such termination, the Employment Period shall end, and upon and after such termination, all obligations of the Company and the Employee under this Agreement shall cease, except as otherwise provided herein.

4.3 Severance Payable. Except in situations where the employment of the Employee is terminated at any time (i) by the Company For Cause (as defined in Section 5.1 below), (ii) By Death or By Prolonged Absence (as defined in Sections 5.3 and 5.4 below) or (iii) by the Employee Without Good Reason (as defined in Section 5.2 below), the Employee will be eligible to receive severance. The amount of severance shall be [*insert amount*] of the Employee's then-current Base Salary, payable on a semi-monthly basis with the first payment being made within fifteen business days of the Company's receipt of the executed Release of Claims (defined below).

4.4 Severance Conditions. The Company's obligation to make severance payments shall be conditioned upon (a) the Employee signing and returning to the Company (without revoking) a timely and effective general release and waiver in such form and covering such matters as the Company may in its reasonable discretion require, including without limitation releasing all Group Companies and their present and former directors, officers and employees from all claims related to Employee's employment or the termination thereof, by the deadline specified therein, which in all events shall be no later than the fiftieth (50th) calendar day following the date of termination (any such release submitted by such deadline, the "Release of Claims"), the form of which is attached hereto as Exhibit A; and (b) the Employee's compliance with all obligations contained in the Restrictive Covenants Agreement (or any similar agreement between the Employee and any of the Group Companies, whether in existence on the Effective Date or entered into thereafter). The Employee acknowledges and agrees that in the event of Employee's breach of the Restrictive Covenants Agreement the Company shall be entitled to repayment in full of any severance paid to Employee.

4.5 Severance Not Payable. The Employee shall not be entitled to any Severance if his employment is terminated For Cause, By Death, By Prolonged Absence or Without Good Reason (as those terms are defined in Section *5* below).

5. Definitions in Connection with Termination.

5.1 Termination by the Company "For Cause". For purposes of this Agreement, "For Cause" shall mean: (a) the Employee is convicted of a crime involving moral turpitude, dishonesty, or physical harm to any person, whether or not such conduct is undertaken in relation to any of the Group Companies or their business; (b) the Employee willfully engages in conduct that is in bad faith and materially injurious to any of the Group Companies, including but not limited to misappropriation of trade secrets, fraud or embezzlement relating to the property of any of the Group Companies or the Employee engaging in competition with any of the Group Companies; (c) the Employee commits a material breach of this Agreement or of the Restrictive Covenants Agreement (or any similar agreement which may be signed by the Employee in the future), which breach is not cured within thirty (30) days after written notice to the Employee from the Company; (d) the Employee willfully refuses to implement or follow a lawful policy or directive of the Group Companies, which breach is not cured within thirty (30) days after written notice to the Employee from the Company; or (e) the Employee engages in misfeasance or malfeasance demonstrated by a pattern or failure to perform job duties diligently and professionally. The Company may terminate the Employee's employment For Cause at any time, without any advance notice, subject to any applicable cure period. The Company shall pay the Employee all compensation to which he is entitled up through the date of termination, subject to any other rights or remedies of the Company under law; and thereafter all obligations of the Company under this Agreement shall cease.

5.2 Termination by the Employee "With Good Reason" or "Without Good Reason". The Employee's termination of his employment shall be "With Good Reason" if (A) the Employee provides written notice to the Company of the Good Reason within thirty (30) days of the event constituting Good Reason; (B) the Company fails to cure the Good Reason within thirty (30) days following receipt of such notice; and (C) the Employee terminates his employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition, *provided,* however, that in the event the Company provides the Employee with the notice described in Sections 5.l(c) or (d), the Employee may not seek to terminate his employment hereunder for Good Reason after receipt of such notice and prior to the date that is two (2) days following the expiration of the thirty (30) day cure period. For purposes of this Agreement, "Good Reason" shall mean any of the following events if effected by the Company without the consent of the Employee: (1) a change in the Employee's position with the Group Companies which materially reduces the Employee's level of responsibility or authority; (2) a reduction in the Employee's Base Salary or annual target bonus percentage which either (i) is larger on a percentage basis than a concurrent reduction in base salary or annual target bonus percentage of other senior executive officers of the Group Companies or (ii) in the aggregate reduces Employee's total potential cash compensation (i.e., Base Salary plus annual target bonus) by greater than 15%; (3) a relocation of the Employee's principal place of employment that results in an increase in the Employee's commute by more than forty (40) miles than Employee's commute as of the Effective Date; or (4) the Company's material breach of its obligations under this Agreement. "Without Good Reason" shall mean the Employee's termination of his employment under any circumstances that do not qualify as "With Good Reason" as set forth in this Section 5.2.

5.3 "By Death". The Employee's employment shall terminate, and the Employment Period shall end automatically, upon the Employee's death. The Company shall pay to the Employee's estate or beneficiaries, as appropriate, any compensation then due and owing. Thereafter, all obligations of the Company under this Agreement shall cease. Nothing contained in this Section 5.3 shall affect any entitlement of Employee's heirs or devisees to the benefits of any life insurance plan or other applicable benefits.

5.4 By Prolonged Absence". Subject to applicable law, this Agreement will terminate on the date the Employee is unable to perform his duties under this Agreement for 120 consecutive days or for 180 non-consecutive days in the aggregate during any 360 day period (a "Prolonged Absence"). The Employee shall be deemed to have had a Prolonged Absence on the last day of such 120 or 180 day period and the Employee's employment shall terminate, and the Employment Period shall end, on such date, such periods and such date to be determined in good faith by the Board. On termination By Prolonged Absence, the Company shall pay to the Employee all compensation to which the Employee is entitled up through the last day of the applicable 120 or 180 day period and thereafter all obligations of the Company under this Agreement shall cease. Nothing in this Section 5.4 shall affect the Employee's rights under any disability plan in which the Employee is a participant.

6. Other Obligations

6.1 Return of Property. Upon termination of the Employee's employment for any reason, and upon the Company's request at any time prior to termination of the Employee's employment, the Employee must promptly return to the Company all property (including without limitation all equipment, software, tangible proprietary information, records, notes, contracts, computer-generated material, security pass, keys and fobs, customer and supplier lists, and any and all documents related in any way to the Group Companies' business, operations or plans), furnished to or created or prepared by the Employee incident to the Employee's employment. The ownership of all such property and documents will at all times remain vested in the Group Companies.

6.2 Resignation and Cooperation. Upon termination of the Employee's employment for any reason, the Employee will be deemed to have resigned from all offices, if any, then held with any one or more of the Group Companies. Following any termination of the Employee's employment, the Employee shall cooperate with the Group Companies in the winding up of pending work on behalf of any of the Group Companies and the orderly transfer of work to other employees. The Employee shall also reasonably cooperate with the Group Companies in the defense of any action brought by any third party against any of the Group Companies that relates to his employment with the Company or any of the Group Companies, and the Company shall promptly reimburse the Employee for any costs incurred in connection therein.

6.3 Survival. All obligations set forth in this Agreement which are of a continuing nature shall survive the termination of the Employee's employment and of this Agreement, and shall continue to be in full force and effect.

7. Taxes and Withholding.

7.1 Withholding. All amounts paid under this Agreement shall be paid less all applicable federal, state or city tax withholdings (if any) and any other withholdings required by law or regulation in any applicable jurisdiction or authorized by the Employee.

7.2 Timing of Payments and Section409A.

7.2.1 Notwithstanding anything to the contrary in this Agreement, if at the time of the Employee's termination of employment, the Employee is a "specified employee," as defined below, any and all amounts payable on account of such separation from service that constitute deferred compensation and would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon the Employee's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-l(b) (including without limitation by reason of the safe harbor set forth in Section l.409A- l(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits that qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-l(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986 ("Section 409A").

7.2.2 For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section l .409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

7.2.3 Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

7.2.4 Any reimbursement provided for under this Agreement that would constitute nonqualified deferred compensation subject to Section 409A shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect the Employee's right to reimbursement of any such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, promptly, but not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

7.2.5 In no event shall any Group Company have any liability, including any additional tax, interest or penalty that may be imposed on Employee, relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A.

8. Notices.

Any and all notices or communications permitted or required under this Agreement shall be in writing and shall be deemed to have been duly given if delivered; (i) by hand, (ii) e-mail, (iii) by a nationally recognized overnight courier service in the case of US delivery; or (iv) by US first class registered or certified mail, return receipt requested, in the case of US delivery, in each instance to the address specified by the party to receive delivery, as set forth below. The date of notice shall be deemed to be the earlier of (a) actual receipt of notice by any permitted means, or (b) five business days following dispatch by overnight delivery service or the US mail. Each party shall be obligated to notify the other in writing of any change in his or its address. Notice of change of address shall be effective only when done in accordance with this paragraph.

If to the Company: Oxford Immunotec, Inc.
700 Nickerson Road, Suite 200
Marlborough, MA 01752
Attn.: [Name]

If to the Employee: [*Employee Name*]
To the last known address on file with the Company

9. Assignment; Binding Effect.

9.1 Assignment. The performance of the Employee is personal hereunder and the Employee agrees that he shall have no right to assign, and he shall not assign or purport to assign, any rights or obligations under this Agreement. The Company may assign or transfer this Agreement in connection with a merger, consolidation, or a sale or transfer of all or substantially all of its assets to an affiliate or third-party. This Agreement may be assigned by the Company, and nothing in this Agreement shall prevent the consolidation, merger or sale of the Company or a sale of all or substantially all the assets of the Company or of the Group Companies.

9.2 Binding Effect. Subject to the foregoing restriction on assignment by the Employee, this Agreement shall inure to the benefit of and be binding upon each of the parties; the affiliates, officers, directors, agents, successors and assigns of the Company; and the heirs, devisees, spouse and legal representatives of the Employee.

10. Governing Law.

The provisions of this Agreement shall be governed by and interpreted under the laws of the [Commonwealth of Massachusetts] [United Kingdom], without regard to its conflict of laws principles.

11. Interpretation; Invalid Provisions.

11.1 This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against either party. Sections and section headings contained in this Agreement are for reference purposes only, and shall not affect in any manner the meaning or interpretation of this Agreement. Whenever the context requires, references to the singular shall include the plural and the plural the singular.

11.2 In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid, or unenforceable, such provisions shall be limited or eliminated only to the minimum extent necessary to preserve the validity of this Agreement. This Agreement shall otherwise remain in full force and effect.

12. Counterparts.

This Agreement may be executed in one or more counterparts, each of which constitutes an original but all of which together constitute one document, and by facsimile transmission or by portable document format (pdf), which facsimile and pdf signatures shall be considered original executed counterparts. No counterpart shall be effective until each party has executed at least one counterpart.

13. Entire Agreement; Amendments; Waivers.

13.1 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto, superseding any prior understandings, commitments or agreements, oral or written, with respect to the Employee's employment by the Company except for the Restrictive Covenants Agreement, the Offer Letter dated [*date*], and other standard employment policies applicable to all employees. In the event of any conflict between standard employment policies of the Company and this Agreement, this Agreement shall control. The Employee acknowledges that in entering into this Agreement he is not relying upon any prior written or oral agreement, assurance, promise or any other prior arrangement of any nature.

13.2 Company's Rights. Except as otherwise expressly set forth herein, the Company reserves the right to make reasonable changes to any of the terms and conditions of the Employee's employment. Any change to the Employee's duties, position or compensation following the execution of this Agreement will not affect the enforceability of this Agreement.

13.3 Amendment and Waiver. Except as set forth in Section 13.2 hereof, this Agreement may not be amended or provisions hereof waived except by a writing signed by the Employee and by a duly authorized representative of the Company other than the Employee. Failure to exercise any right under this Agreement shall not constitute a waiver of such right. Any waiver of any breach of this Agreement shall not operate as a waiver of any subsequent breaches. All rights and remedies specified for a party herein shall be cumulative and in addition to all other rights and remedies of the party hereunder or under applicable law.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day first above written.

OXFORD IMMUNOTEC, [INC.][Limited] [EMPLOYEE]

_____ _____

Exhibit 21.1

Oxford Immunotec Global PLC Subsidiaries

Entity	Jurisdiction of Organization
Oxford Immunotec Limited	United Kingdom
Oxford Immunotec Inc.	Delaware
Immunetics, Inc.	Massachusetts
Oxford Diagnostic Laboratories (UK) Limited	United Kingdom
Oxford Immunotec K.K.	Japan
Boulder Diagnostics Europe GmbH	Germany
Oxford Immunotec Asia Limited	Hong Kong
Oxford Immunotec (Shanghai) Medical Device Co. Ltd.	Shanghai, China

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 Nos. 333-215236 and 333-200571) of Oxford Immunotec Global PLC,

(2) Registration Statement (Form S-8 No. 333-193730) pertaining to the Oxford Immunotec Global PLC 2013 Share Incentive Plan, and

(3) Registration Statement (Form S-8 No. 333-192582) pertaining to the Amended and Restated 2008 Stock Incentive Plan of Oxford Immunotec Global PLC;

of our report dated February 27, 2018 with respect to the consolidated financial statements of Oxford Immunotec Global PLC included in this Annual Report (Form 10-K) of Oxford Immunotec Global PLC for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Reading, United Kingdom
February 27, 2018

Exhibit 31.1

CERTIFICATION

I, Peter Wrighton-Smith, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Oxford Immunotec Global PLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period for which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2018

/s/ Peter Wrighton-Smith, Ph.D.
Peter Wrighton-Smith, Ph.D.
Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION

I, Richard M. Altieri, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oxford Immunotec Global PLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period for which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2018

/s/ Richard M. Altieri
Richard M. Altieri
Chief Financial Officer

Exhibit 32

CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Oxford Immunotec Global PLC, a company incorporated in England and Wales (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2017 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2018

/s/ Peter Wrighton-Smith, Ph.D.
Peter Wrighton-Smith, Ph.D.
Chief Executive Officer and Director

Date: February 27, 2018

/s/ Richard M. Altieri
Richard M. Altieri
Chief Financial Officer

This certification is being furnished and not filed, and shall not be incorporated into any document for any purpose, under the Securities Exchange Act of 1934 or the Securities Act of 1933.