

Disclosure of Transfers of Value Methodology Note for Diurnal 2015

Diurnal is a small research based company. During 2015 there were no commercial activities so all transfers of value were relating to Research and Development work. Diurnal had two active product development programmes. Transfers of value relating to these two programmes were recorded and consolidated at year end. The total spend was discussed and validated at a company management meeting with membership including the heads of medical, finance, commercial and clinical operations functions. The aggregated total is declared on the accompanying spread sheet.

In calculating the aggregated total the following methodologies have been used.

- Amounts declared do not include VAT due to the differing levels of VAT across the areas where Diurnal has clinical trials programmes ongoing.
- Amounts declared are in UK sterling with the conversion rates at the time being applied
- All payments worldwide are declared as Diurnal is headquartered in the UK
- Where contracts extend beyond a single year, in year payments only are declared.
- Diurnal does not have any over the counter business or medical device business
- In including worldwide payments, Diurnal goes beyond the requirements of the EFPIA and ABPI codes.
- Diurnal has undertaken no Grants, Donations or Sponsorship.
- Individual consent has not been sought due to the aggregate nature of the disclosure.
- Diurnal has made no non-monetary transfers of value in 2015, except for the grants of share options to Professor Richard Ross who is founder, director and Chief Scientific Officer of Diurnal as well as a practicing Healthcare Practitioner.
 - 23/9/15 Grant of options over 660 ordinary shares of £1 each with an exercise price of £1 per share
 - Grants of share options are valued using the Black Scholes valuation method and this fair value is spread over the vesting period of the share options in accordance with the accounting standard IFRS2. The charge for the 2015 year was £34,223.33
- Diurnal has not worked with any other pharmaceutical companies in 2015.

