Novacyt reaches the first close of its financing to support the acquisition of Primerdesign and provides positive business update

Paris, France and Cambridge, UK – 1st April 2016, – Novacyt (ALTERNEXT: ALNOV), an international specialist in cancer and infectious disease diagnostics, updates the market on its intended acquisition of Primerdesign Ltd ("Primerdesign") and confirms that it has reached first close in the earlier disclosed €7.0m financing.

On the 22nd February 2016, at the EGM held in Paris, Novacyt shareholders unanimously approved the acquisition of Primerdesign. Focused initially in Paris the Company has raised €5.0m through the issue of 1,422,135 new shares totalling €2.0m and plans to increase its debt facility with Kreos Capital by €3.0m.

The equity financing attracted support from current investors including Alto Invest. Shareholders recognised the strategic logic of combining Primerdesign's non-clinical molecular diagnostic products with Novacyt's regulatory and sales infrastructure expertise to accelerate the development and sales of new approved diagnostic products.

Under the terms of the financing, 1,422,135 new Novacyt shares will be issued. The share capital of Novacyt following the capital increase will amount to €574,089.87 representing 8,611,348 shares shares with a nominal value of 1/15th of a euro each.

The dilution resulting from the capital raise today is 19.8% compared to the 7,189,213 shares currently outstanding. The new shares will be listed on Alternext Paris and rank pari passu with existing shares under ISIN code FR0010397232.

The company is confident to close the second tranche by 22nd April 2016 prior to the completion of the proposed acquisition.

The Kreos financing of €3.0m in bonds will be released in one tranche to purchase Primerdesign with a maturity of three years at 12.5% interest only when the Company is ready to complete the acquisition of Primerdesign.

In its current financial year Primerdesign is running 27% ahead of its profitability plan and over 50% ahead of the same period prior year. As reported recently, it also continues to make solid sales progress with its new Zika multiplex assay and has received record sales orders for these kits from various countries in Asia and Brazil.

Novacyt Business Update

Novacyt trading has seen a solid start to the year with new NOVAprep® business confirmed in Belarus and a new tender award for a key region of Russia. A new master distributor for French-speaking African countries has been appointed and a manual version of NOVAprep® is being rapidly developed to service some of these poorer markets where a simplified NOVAprep® liquid based cytology system can be used for cervical cancer screening.

In the Lab21 business, we also continue to make good progress with 8 new tenders being awarded for infectious disease testing products to be delivered in the first half of 2016. In addition, working closely with our NOVAprep® customers we are seeing an increase in HPV molecular testing utilizing our NOVAprep® vial and an increase in other molecular testing business particularly from the Middle East.

Graham Mullis, Group CEO of Novacyt, commented:

"Despite volatility in the financial markets I am delighted with the progress we have made in reaching first close. Our existing shareholders recognise and support the compelling strategic rationale this transformational acquisition delivers. The shareholders of Primerdesign remain committed to the transaction with Novacyt SA and the Primerdesign business continues to trade ahead of its own financial plans. Both companies are trading strongly and this bodes well for the combined Group. I am also encouraged by the new business development activities currently in progress with our NOVAprep® product and look forward to updating our shareholders of new partnerships which we expect to complete in the near future. I look forward to providing an update on the current fundraising as we move towards completing this transaction."

Disclaimer

This press release does not constitute or should not be considered as a public offering, an offer to subscribe to the company's securities or a public solicitation in preparation of a public offering of Novacyt's securities. No public offering of Novacyt's securities will be made, inside or outside of France, pursuant to Article L. 411-2 of the French Monetary and Financial Code. Consequently, no Prospectus will be published nor approved by the AMF.

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About Novacyt Group

The Novacyt Group is a leader in the field of cellular diagnostics with a growing portfolio of cancer and infectious disease products and services. Through its proprietary technology platform NOVAprep® and a strong international network Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products. The Group has diversified sales from diagnostic reagents used in oncology, microbiology, haematology and serology markets, and its global customers and partners include major corporates.

For more information please refer to the website: www.novacyt.com

About Primerdesign Ltd

Primerdesign is the UK's leading specialist real-time PCR company. The company has a substantial UK customer base and also exports to over 100 countries globally. The product range contains over 450 qPCR applied testing kits for the detection of pathogens as well as other real-time PCR reagents. It has recently developed and launched a novel real-time PCR instrument platform called genesig®.

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