

NOVACYT FULL YEAR 2015 RESULTS

Delivers strong double-digit sales growth

Completes transformational strategic acquisition

Paris, France and Cambridge, UK – 12 May 2016 – Novacyt (ALTERNEXT: ALNOV), an international specialist in cancer and infectious disease diagnostics, today announces the completion of the strategic acquisition of Primer Design Limited and audited financial results for the year ended 31st December 2015, approved by the Board of Directors on 10 May 2016.

2015 was a year of significant investment and focus, building the Novaprep® business and successfully integrating Lab21 following its acquisition in 2014. This resulted in 14% sales growth across the Group, with Novaprep® sales a particular highlight up 30% year-on-year. The Group's strong sales performance led to an improved gross margin with an increase of 4.5 percentage points to 48.1%. Novacyt successfully raised €4.2m from the issue of new equity and restructured its debt by replacing Clydesdale Bank with Kreos Capital to support the Group's ambitious growth plans.

Today, Novacyt has completed the strategic acquisition of Primer Design Limited, a profitable, high growth molecular diagnostics business which will help transform the scale of the Group, as well as accelerating revenue growth and earnings.

The key financial highlights for the consolidated Group in 2015, 2014 and 2013 are summarised below:

€'000	2015	2014 ¹	2013 ²
Revenue	8,892	4,526	1,154
Gross profit	4,275	1,973	566
Gross margin %	48.1%	43.6%	49.0%
EBITDA ³	(2,928)	(1,611)	(867)
Recurring operating loss	(3,235)	(1,844)	(1,055)
Operating loss ⁴	(13,185)	(3,686)	(995)
Total net loss	(13,908)	(3,912)	(996)

¹ The acquisition of Lab21 was completed June 13, 2014 and the total Group consolidated results include Lab21 for the second half of 2014. The results have been restated under IFRS.

² Financial results of Novacyt only for 2013, restated under IFRS.

³ EBITDA (Earnings before interest, tax, depreciation and amortisation) is presented before non-recurring charges and income.

⁴ Operating loss in 2015 includes a non-cash goodwill impairment charge of €9.8m relating to the acquisition of Lab21.

Financial highlights

- Consolidated Group sales increased 96% in 2015 to €8.9m compared with €4.5m in 2014*, reflecting the effects of the first full year of the acquisition
- On a *pro forma* basis, Group sales increased 14% in 2015 to €8.9m vs €7.8m in 2014
- Lab21 sales of €7.6m increased 12% compared with 2014
- Novaprep® sales of €1.3m showed significant growth of 30% compared with 2014
- Gross margin improved to 48.1% from 43.6% in 2014
- As expected, EBITDA loss widened to €2.9m through planned investment in infrastructure
- Balance sheet and profit and loss account reflect one-off non-cash goodwill adjustment of €9.8m following the recent reduction in Novacyt share price **
- Total cash balance of €1.7m at the end of the year

**The acquisition of Lab21 was completed June 13, 2014 and the total Group consolidated revenues include Lab21 for the second half of 2014.*

***IFRS accounting has given rise to the recognition of a non-cash €9.8m goodwill impairment charge. The acquisition of Lab21 was funded entirely with Novacyt shares. The value of goodwill is susceptible to changes in market value of the Group such as the fall in price over recent months. Amortisation is not possible in IFRS, whereas under the Group's previous French GAAP accounting rules, accrued amortisation of approximately €3.0m would have been booked to the end of 2015, reducing the impact of any impairment.*

Operational highlights

- Successfully launched Novaprep® in selected new countries including China, Spain, Italy, Sweden, Austria, Belarus and certain African countries
- Major five year Novaprep® Chinese market distribution agreement signed with Leica Biosystems to support planned growth in one of the largest cervical cancer screening markets
- Established successful new Novaprep® manufacturing base and supply chain to support the anticipated growth demand in China and the wider Asia Pacific markets
- Major collaboration agreement signed with Abbott to expand potential market for the Novaprep® vial and medium in real-time HPV testing market
- Investment in direct sales, sales support, marketing, regulatory submissions and operational functions to drive Novaprep® commercialisation
- Additional Lab21 investment in new products and manufacturing capacity to support anticipated sales growth in 2016
- Strengthened the Board with two new independent non-executive directors experienced in capital markets and healthcare: Dr Andrew Heath and Mr Alan Howard
- Total headcount increased to 72 FTEs in 2015 compared to 59 FTEs in 2014

Post-period highlights

- Today, Novacyt has completed the transformational acquisition of Primer Design, a profitable, rapidly growing molecular diagnostics company:
 - Primer Design unaudited half-year sales to March 2016 were €2.65m up 20%
 - Unaudited EBITDA was €1.0m, 33% ahead of the prior year and represents a 37% EBITDA margin
- Raised €7.75m in equity and debt finance to acquire Primer Design
- Clinical trial collaboration with the St Stephen's AIDS Trust to expand potential market opportunities for Novaprep® technology in anal cancer
- Appointment of MDL Asia Pty Ltd as marketing and distribution partner in the Asia Pacific region, outside Greater China

Graham Mullis, Group CEO of Novacyt, commented:

"I am delighted to report strong double-digit sales growth across the Group in 2015, with 30% sales growth from our innovative Novaprep® technology. Our increased sales momentum reflects the renewed focus and investment in our commercial infrastructure. The successful consolidation and integration of Novacyt and Lab21 has produced a solid and scalable foundation from which to execute our growth strategy.

As part of this growth strategy, today we have completed the transformational acquisition of Primer Design. Primer Design's non-clinical molecular diagnostic product portfolio complements Novacyt's clinical, regulatory and sales infrastructure, and adds another important technology platform to the Group. This combination will accelerate the development of new products and sales of new approved clinical molecular diagnostic products, benefitting the Group's growth and profitability. I look forward to updating our shareholders and the market of our continued progress."

Corporate review

The acquisition of Primer Design Limited

The synergistic combination of Novacyt and Primer Design announced today will enhance and accelerate the growth and profitability trajectory of both companies. Primer Design's proven platform of innovative molecular diagnostics reagents runs on a proprietary rapid real-time PCR platform, genesig®. Today, we have added this entirely new portfolio of non-clinical molecular diagnostic products to our Group and broadened our customer base. Novacyt will selectively convert these new non-clinical diagnostics into highly valuable clinical diagnostics. Initially, we will focus on infectious disease such as the Zika virus and fungal products.

Primer Design has developed significant new revenues from the Zika test in key territories such as Brazil and parts of Asia. It is also currently working with a major hospital in the US market to generate the necessary clinical data for a US Food and Drug Administration (US FDA) submission under the Emergency Use Authorisation (EUA) process. If successful, this would mean the Primer Design Zika test will be available for clinical use in the US market.

The purchase price of £9,850,000 is being satisfied by the sum of £4,850,000 being paid via the issuance of new shares, and the balance will be paid in cash. An additional £2,500,000 could potentially be paid to the sellers in the future, subject to the achievement of sales targets over the next three years

As consideration for the acquisition of Primer Design, Primer Design's shareholders received:

- £5.0m of cash (which have been financed by capital increases and debt¹);
- 2,365,815 of new Novacyt shares²;
- 1,000,000 warrants with an exercise price of 1,16 giving access to a certain number of Novacyt shares calculated as follows : if the thirty trading day average closing price of a share prior to the warrant exercise date is (i) less than or equal to EUR 3.72 then, each warrant will give right to subscribe to one share or (ii) more than EUR 3.72 then, each warrant will give right to subscribe for such number of shares as is equal to = (2,560,000 /

¹ For further information please see our press release issued on April 25, 2016

² For further information please refer to the 2nd resolution of the shareholders meeting held on February 22, 2016

$(x - 1.16) / 1,000,000$ where x is equal to the thirty trading day average closing price of a share

The new Novacyt shares issued or to be issued following the exercise of the warrants will be subject to a lock-up period.

Novaprep® platform technology

The focus of management in 2015 has been to develop the infrastructure required to accelerate the commercialisation of the Novaprep® platform. We have invested heavily in headcount, which increased by 13, attracting highly experienced industry operators from companies such as Becton Dickinson, Hologic, Abbott and Thermofisher.

The Novaprep® target market in cervical cancer screening is estimated to be worth over \$3.6 billion according to *Transparency Market Research*. Within this market Novaprep® can be sold to clinicians who continue to use conventional Pap smear screening, which today still represents over 50% of the cervical cancer screening market. We will address this significant growth opportunity through selected distributor agreements in South America and Asia.

The distribution contract with Leica Biosystems for China was executed in March 2015 and the initial launch took place during the final quarter of last year. The Chinese market is one of the fastest growing cervical cancer screening markets in the world. By 2020 it is expected to be significantly larger than the US market and could grow to 150 million cervical cancer screening tests per year. Novacyt will therefore continue to ensure it is well positioned to operate in this large and competitive country.

In addition to developing markets, Novaprep® is being successfully used to switch the older liquid based cytology systems of its competitors in other, mainly developed markets. Based on the clear benefits of the newer Novaprep® technology Novacyt is seeing significant growth across Europe as it successfully expands its distributor network.

Some countries are evaluating the use of human papillomavirus (HPV) testing as the primary cervical cancer screen and in 2014 *Transparency Market Research* estimated the HPV testing market to be worth \$624.5m and growing at 8.3% per annum. This new and growing segment of the market is providing Novacyt with additional commercial opportunities and the Group is pursuing a number of partnership opportunities with HPV platform providers who can benefit from the specific Novaprep® vial+medium technology. Through the Group's clinical reference laboratory based in Cambridge, UK, Novacyt is able to offer its worldwide Novaprep® customer base the option for HPV testing as well as cytology diagnostic testing.

Novacyt continues to strengthen its IP portfolio with Novaprep® and now combines 112 patents in 23 families which protect the technology from a product, process and software perspective.

Lab21 Products

Our strong distribution channels in emerging and developing markets helped Lab21 product sales grow by 12% in 2015. Novacyt is developing a number of additional products for in-house manufacture, which are expected to begin to benefit Group revenue during the second half of 2016.

Financing

The Group successfully raised a total of €7.7m in new financing during the year through €4.2m of new equity and €3.5m in new debt financing. €1.5m was used to restructure the existing debt facility with Clydesdale Bank. Funds were also used to support the investment in infrastructure and the increase in working capital required to support the launch of Novaprep® in new countries. Additionally, Novacyt executed a flexible bond financing instrument with Yorkville for a maximum of €5m over three years to support the planned growth of the Group.

Current trading and outlook

We have had a good start to 2016 with sales for Novaprep® continuing to show strong growth, 33% ahead of the same period last year. This was despite a slower than anticipated start in China, with the majority of growth being generated in Europe.

In addition to strong Novaprep® sales growth, the acquisition of Primer Design's profitable molecular diagnostic business significantly enhances our new product development pipeline that underpins our ambitious growth expectations. These opportunities will drive the sales and margin improvements for management to deliver the following objectives:

- Consolidated revenue growth of approximately 30%;
- Significantly improved gross margin of 55% or higher;
- Significantly improved EBITDA to approach a break-even run-rate.

Key dates for Novacyt's results disclosure include:

- | | |
|--|-----------------|
| • AGM for 2015 Results | 28 June 2016 |
| • Preliminary half-year revenues 2016 | 21 July 2016 |
| • Preliminary half-year statement 2016 | 27 October 2016 |

- End -

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 Primer Design Limited

Primer Design 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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