



NOVACYT ANNOUNCES 2014 HALF YEAR RESULTS AND UPDATES STRONG PROGRESS WITH INTEGRATION OF LAB21

Paris, France and Cambridge, UK – 30th October 2014 – Novacyt (ALTERNEXT: ALNOV), an international specialist in cancer and infectious disease diagnostics, today announces its half year results for the six months ended 30th June 2014 approved by the Board of Directors on 28th October 2014. Novacyt also provides an update on the progress of the recent integration of Lab21.

FIRST-HALF HIGHLIGHTS

Transformational deal with Lab21 immediately improves financial and growth outlook

- **Transformational acquisition of UK personalized medicine diagnostics specialist Lab21 will result in significantly increased sales and improved financial performance of Novacyt.**
- **Increased commercial channels through the combined business will support international expansion of NovaPrep® products to key markets across Europe, Middle East and China. Two new market launches have already occurred in Dubai and Kuwait.**
- **New molecular Lab21 products for infectious disease testing are ready for launch in H2 2014.**
- **Significant tenders awarded for Lab21 products from across South America, the Middle-East and Africa.**

FINANCIAL HIGHLIGHTS

- **Following the acquisition of Lab21 on 13th June 2014 the *pro forma* sales of the Novacyt Group are €3.76m in the first half of 2014 compared to sales of €582k for Novacyt in the prior year.**
- **The Novacyt Group moved towards breakeven EBITDA on a *pro forma* basis with a loss of €101k for the first half of 2014 compared to a loss of €508k for Novacyt in the prior year.**
- **The Novacyt Group cash position at the end of June 2014 is €1.463m.**

Half year results

€k	Notes	pro forma* H1 2014	Novacyt H1 2014	Novacyt H1 2013
Revenue	1,2	3,760	525	582
Other income		(19)	2	47
Total income		3,741	527	629
Operating charges		(4,752)	(1,133)	(1,225)
Operating result		(1,011)	(606)	(596)
Net result	3	(1,724)	(566)	(520)
EBITDA	4	(101)	(531)	(508)

Unaudited figures



* *Pro forma: as if the Lab21 accounts have been consolidated from 01/01/2014*

- 1. The Novacyt Group has taken advantage of the provisions under French GAAP to consolidate the results at 30th June 2014. If the results had been consolidated at 13th June 2014, the consolidated revenue would have been €827k, including €302k of Lab21 revenue.*
- 2. H1 2013 Novacyt revenues include €60k of revenues from the acquisition of CCTI assets, a software company whose products were discontinued by the end of 2013.*
- 3. Net result includes €986k of goodwill amortisation.*
- 4. Pro forma EBITDA (Earnings before interest, tax, depreciation and amortisation) includes the one-off receipt of €836k which relates to the payment of an earn-out to Lab21 on the sale of its US operations in December 2012.*

The Novacyt sales in the first half of 2014 were €525k compared to €582k in the first half of 2013. The breakdown is as follows:

- Sales from NovaPrep® in France increase 15% to €299k (H1 2013: €259k)
- Sales from NovaPrep® internationally decrease by 14% to €226k (H1 2013: €263k)

- Sales from NovaPrep® consumables increase 19% to €425k (H1 2013: €357k)
- Sales from NovaPrep® instrument sales decrease to €100k (H1 2013: €165k)

The operating loss of Novacyt, without the impact of Lab21 in the first half, is similar to prior year at €606k, despite the slightly lower revenues due to the management of lower operating costs.

The Novacyt Group net cash position of €1.463m at 30th June 2014 will provide sufficient financial resources to fund the initial commercial plans of the Company and it plans to raise capital during the next twelve months to fund the commercial expansion of the combined business.

Strong progress in the integration of Novacyt with Lab21

A leader in cancer and infectious disease diagnostics

The enlarged Novacyt Group is now a significant force in the cancer and infectious disease diagnostic markets with a strong protected portfolio of technologies. Novacyt benefits from a large global footprint with more than 300 distributors in 120 countries. At the same time, the expanded Novacyt business now boasts operating sites and employees in five countries, making it a truly international operation.

Focused on commercialization

Novacyt has made significant progress in the integration of Novacyt with Lab21 following the transaction on 13th June 2014. With a strong focus on commercialization the business is being positioned for sustainable and profitable growth through increased sales of NovaPrep®, supported by robust profitable sales of Lab21 products as well as bringing new molecular products to market.

The Company is focusing its efforts on global expansion to a number of key markets which include large growing cancer screening markets such as the Far East, with a particular focus on the opportunities offered in China. At the same time, we are expanding existing markets including our presence in France and following the transaction we have made our first new country launches of NovaPrep® in Kuwait and Dubai.

The combination of Novacyt and Lab21 has resulted in a large portfolio of products across infectious diseases and cancer diagnostics and we continue to develop new products to expand this range. NovaPrep® and its supporting products are under continual improvement and the company will expand its infectious disease offering with new molecular products planned for launch in the second half of this year.



Lab21 infectious disease products have also been awarded a number of new tenders during 2014 with notable success across South America, Middle-East and Africa. A single tender award will result in over €500k of new sales during the second half of the year.

Novacyt has continued to strengthen its intellectual property position. The company has secured four new patents related to the NovaPrep® product bringing the total number of granted and pending NovaPrep® patents in excess of 90. This patent protection coupled with strong internal know-how positions the business to be highly competitive in the countries in which it operates.

Graham Mullis, Group CEO of Novacyt, commented:

"Since the combination of Novacyt and Lab21, we have made significant progress in integrating the two businesses with a focus on developing our sales and marketing plans for the NovaPrep® product. We have been able to draw on the expertise across the combined company to evaluate and engage with new distribution partners and establish ourselves in new markets. We have made particular progress in our planning to access major new markets such as China and have continued to expand our presence in more established markets such as the Middle East and Europe. At the same time, we are expanding our product range with the launch of new molecular products in the second half of this year. Additionally, we continue to strengthen our intellectual property position through a series of new patents and we are focused on developing the organizational structure with the appointments of new key executive and commercial personnel. I expect Novacyt to be well placed in 2015 to increase the commercial expansion of its NovaPrep® product in the significant growing sector of cancer diagnostics."

Appointments to support the new combined group

Novacyt continues to strengthen the management team most recently with the appointment of Ian Wilde as Head of Quality Assurance and Regulatory Compliance. He joins the Company from a successful career in blue-chip medical device companies.

In addition, the Company is in the process of recruiting other executive team members as well as strengthening the commercial team.

To support Novacyt as a growing publicly listed company, the Company has also appointed a number of key advisers. These include Allegra Finance as our new Listing Sponsor, Louis Capital Markets as our Liquidity Advisor, Oriel Securities as our International Corporate Advisor and Linklaters to assist with our global legal affairs.

Outlook: sustainable growth

The Lab21 product revenues will continue to be strong in the second half of 2014 following the tender wins in South America, Middle-East and Africa. These revenues will also be helped by the new molecular infectious disease products which remain on target for launch in the second half. The NovaPrep® revenues will continue at the first half rate as the Company completes the integration of the business.

The Company will continue its commercial focus and invest in sales and marketing particularly to increase NovaPrep® revenues through new market launches which are planned in 2015. The anticipated synergies of the merger between Novacyt and Lab21 are already showing early results. Novacyt's excellent NovaPrep® platform technology, in combination with Lab21's commercial infrastructure and network is expected to deliver strong sustainable growth in the future.

- Ends -



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 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

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