

## **NOVACYT HALF YEAR 2016 REVENUES**

### ***Continued strong growth in Novaprep® sales***

### ***Strong growth from the acquisition of Primerdesign***

**Paris, France and Cambridge, UK – 20<sup>th</sup> July 2016** – Novacyt (ALTERNEXT: ALNOV), an international specialist in cancer and infectious disease diagnostics, today announces its unaudited revenues for the six months ending 30 June 2016.

#### **Financial highlights**

- Consolidated Group sales in H1 were €5.0m, representing +11% sales growth at constant exchange rates (+5% growth on H1 2015 at actual exchange rates), including two months contribution from Primerdesign
- Novaprep® sales of €0.85m showed a third successive period of significant growth at +36% over H1 2015, against a strong H1 2015 performance of +18% growth. International markets and Asia Pacific posting growth of +57% and +101%, respectively
- Primerdesign contributed €0.98m to the Group during H1
- Lab21 sales as expected were lower at €3.14m, down 19% on H1 2015 at constant currency, down 24% at actual exchange rates due to ongoing tender delays, however the tender pipeline remains at a value of up to €1m
- Cash balance in the Group at the end of June 2016 is €1.8m

#### **Operational highlights**

- Successful fundraising to complete the acquisition of Primerdesign, adding a second strategically important molecular technology platform and improving the financial performance of the Group
- Novaprep® entered new markets, including Turkey, Qatar, Israel and Malaysia and Novacyt recently received TGA approval from Australia to enable the Company to start selling there
- The Company has completed successful trials with its Novaprep® vial+medium to demonstrate compatibility with all the major HPV platforms. This opens the opportunity for Novacyt to partner with HPV testing platform providers and expand its business development activities with Novaprep®

During the first half of 2016, Novaprep® sales reported a third consecutive period of significant growth, increasing by 36% over the previous period and demonstrating increasing momentum in commercial success. Novacyt also reports strong revenue growth in Primerdesign Limited, its recently acquired, profitable and high growth molecular diagnostics business. For the first two months of its integration, Primerdesign contributed 20% to the consolidated Group first half sales and is expected to continue to significantly enhance sales and profitability during the second half of the year.

The overall Group sales growth for the first half was 11% at constant exchange rates and was negatively impacted by continuing slow Lab21 sales. Lab21 sales fell by 19% at constant exchange rates, resulting from unpredictability in the award of tenders, challenging emerging market conditions, and a particularly strong H1 in 2015. Novacyt confirm that no business has been lost and remains confident it will receive these outstanding tenders but cannot forecast when.

As Novacyt continues to grow and expand its international presence the Board of Novacyt SA are evaluating the options open to the Company for a dual market listing with the objectives of

increasing stock liquidity, gaining more access to capital and driving future shareholder value. The Company expects to announce its plans during the second half of 2016.

**Graham Mullis, Group CEO of Novacyt, commented:**

*"Novacyt's increased sales momentum reflects our continued focus and investment in commercial infrastructure, producing a solid and scalable foundation from which to execute our growth strategy. I am delighted to see a continuing strong sales growth from our innovative Novaprep® technology platform and the ongoing integration of Primerdesign, having already contributed 20% to Group revenue in only its first two months. Furthermore, we are particularly excited by the additional organic opportunities we have identified. As well as immediate growth from the genesig® technology platform, Primerdesign provides the Group with the potential to accelerate the development of new products and sales of new approved clinical molecular diagnostic products, all benefitting the Group's future growth and profitability.*

*Whilst we are disappointed not to have already received the outstanding tenders in our Lab21 business, we remain confident they will be significant once received. In the meantime, Lab21 continues to support the financial performance of the Group.*

*Novacyt continues to grow and become increasingly more international in reach, and a dual stock market listing to increase our ability to access capital will mark a significant and exciting step in the rapid development of the Company."*

**Outlook**

The overall sales outlook for Novaprep® remains positive for the second half of the year. Novacyt expects the sales growth momentum to continue and in addition there will be a strong contribution to the Group performance from the incremental impact of Primerdesign. Whilst it is more difficult to forecast the timing of tender awards for Lab21, we are optimistic that the opportunities remain and, in addition, we have a number of new Lab21 product launches planned for the second half of the year.

On the 12<sup>th</sup> May the Company reported certain management KPIs for the second half of the year and the Company is pleased to report solid progress towards the achievement of these KPIs;

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

Next financial communication: Preliminary half-year statement 2016

27th 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 molecular platform, genesig® Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products across an extensive international distributor network. 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](http://www.novacyt.com)**

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