

NOVACYT REVENUES FULL YEAR 2016
Delivers consolidated sales growth of 25%
NOVAprep® sales increase 24%
Group reiterates positive outlook

Paris, France and Cambridge, UK – 24th January 2017 – Novacyt (ALTERNEXT: ALNOV), an international specialist in clinical diagnostics, today announces its unaudited revenues for the full year to December 2016.

In 2016, Novacyt made significant progress in its goal to transform the company into a multi-platform, global clinical diagnostics company. In particular, the acquisition of Primerdesign Ltd in May 2016 marked the company's entry into the fast growing molecular diagnostics market. As a result, Novacyt has again delivered strong double-digit consolidated sales growth.

Financial highlights

- Consolidated Group sales increased 25% to €11.1m compared with €8.9m in 2015
- At constant exchange rates (CER) the growth in 2016 represented 38%¹
- Second half FY2016 Group consolidated revenue increased 47% to €6.1m from €4.2m in H2 2015, representing a 68% increase at CER
- During 2016, the company raised €8.1m in cash from well supported equity rounds and €3.0m in new bonds from Kreos Capital. Novacyt finishes the year with €2.9m in cash

Divisional revenues

- Full year NOVAprep® sales increased 24% to €1.6m despite the negative impact of the timing of a shipment of various orders due to a supply chain issue. As a result, orders totalling €346k will now be shipped in 2017
- NOVAprep® sales in Asia Pacific delivered 116% growth during 2016, making it the fastest growing region, followed by Eastern Europe and the Middle East, which both delivered over 60% growth
- NOVAprep® sales in France declined 7% during the transition of direct sales to indirect sales with the appointment of MM France in the second half 2016
- Primerdesign full year sales (on a *pro forma* basis) were £4.2m (€5.1m) compared with £3.9m (€5.3m) in the prior year, giving 8% growth at CER, driven by strong core growth of 71% in South America, 67% in Asia Pacific and 28% in North America. These increases were partially offset by a reduction in B2B revenues due to focusing R&D on the development of Novacyt's pipeline
- Lab21 revenues grew 7% CER in the second half of 2016, compared with the first half of the year, including 10% growth in product sales. For the full year 2016, Lab21 revenues were £5.0m (€6.2m), an overall decrease of 8% year-on-year at CER, in line with expectations. The growth during 2016 has been driven by the launch of new products and entry into new territories, more than off-setting the continued weak overseas tender business, which has slowed due to the delays in awarding outstanding tenders from a number of oil-producing regions

¹ The acquisition of Primerdesign was completed May 2016 and the total Group consolidated revenues include Primerdesign from 1 May 2016

Operational highlights

- NOVAprep® launched in new markets including Turkey, Qatar, Israel, Malaysia and Australia
- Further investments made in the successful MDL Asia partnership increasing Novacyt's direct presences in this strategically important region
- Restructuring of the French commercial operations has proceeded well, with the Group's new distribution partner MM France resulting in anticipated cost savings of €0.9m
- Primerdesign moved into high quality development and manufacturing facilities to support significant growth over the next five years
- Lab21 products launched in Brazil for the first time through a new manufacturing partnership with the potential to deliver significant sales in 2017
- Lab21 launched 10 new CE Marked infectious disease products to complement the existing portfolio and drive sales growth in the second half of 2016 and into 2017

Graham Mullis, Group CEO of Novacyt, commented:

"I am pleased to report continued strong sales growth in 2016 and to see the positive impact that the Primerdesign acquisition is already having on the business as well as validating our M&A strategy. The investments in our NOVAprep® commercial infrastructure last year helped deliver 24% growth in 2016 against a strong 2015. In 2017, we plan to invest in R&D and commercial infrastructure at Primerdesign to drive sustainable growth of high gross margin molecular products which will continue to help transform the financial performance of the Group. With Lab21 product growth of 10% in the second half of 2016 compared to the first half and the launch of new products through the Lab21 distribution channel, we expect to help smooth the future effects of the unpredictability inherent in the tender business.

"We are starting 2017 with momentum in NOVAprep® sales, an encouraging sales order book and Primerdesign well integrated into the business with a clear growth strategy. With continued sales growth and improving gross margins we are aiming to move into profitable trading during 2017 to create a strong basis for future growth."

Current trading and outlook

During 2017, the Group will continue to build on the progress made in 2016 against its three strategic pillars of commercial expansion, acquisitions and product pipeline development. Novacyt is on track against all three strategic pillars and is on track with the development of its first three infectious disease assays: a broad spectrum human papilloma virus (HPV); Zika virus and a multiplex assay that differentiates between the Zika, dengue and chikungunya viruses.

Overall, Novacyt continues to expect further strong commercial growth in NOVAprep® and Primerdesign products which is expected to drive further shareholder value. In 2017, Novacyt expects:

- To launch NOVAprep® in key markets of South America once registrations are complete through the partnership with Cepheid Inc, a leading molecular diagnostics company focused on HPV markets
- To remain on track to announce its plans for seeking US Food and Drug Administration (FDA) approval in early 2017 for NOVAprep®
- To continue to investment significantly Primerdesign's commercial infrastructure in order to support its expansion into clinical diagnostic markets. The first of several senior commercial roles has been appointed and is expected to start in early 2017

Novacyt will release further details on the Group's 2016 performance when the audited full year results are disclosed. Novacyt will also update shareholders regarding its previously disclosed intention to list on the UK's Alternative Investment Market ("AIM") in addition to its current listing on the Paris Alternext market as the company seeks to increase its international profile and presence.

Key dates for the company's results disclosure include:

- Full year 2016 results 27th April 2017
- AGM for 2016 results 29th June 2017
- Half-year 2017 revenue 20th July 2017
- Half-year 2017 results 26th October 2017

- 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

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