Completion of NOVAprep® business sale

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("Novacyt", the "Company" or the "Group")

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Paris, France and Camberley, UK - 27 December 2019 - Novacyt (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international specialist in clinical diagnostics, announces it has completed the sale of NOVAprep® assets to Algimed Trade Ltd. ("Algimed"), for a total consideration of €400,000 and a 10% royalty on sales in certain defined territories. Algimed specialises in complex equipment supplies for clinical and food testing laboratories and is formerly the NOVAprep® distributor to Belarus.

The sale follows a strategic review by the Board completed in December 2018. As a result of this review, and as previously announced, NOVAprep® was deemed to be non-core and outside the Company's in vitro diagnostic products expertise. This sale follows the successful sale of the Clinical Lab business, completed in July of this year. The Company will now focus on the expansion of Primerdesign and Lab21, its profitable core reagent development and manufacturing businesses.

Consideration

The Company is receiving €150,000 in cash on completion. Following ownership transfer of patents detailed in the executed asset agreement, the Company will receive the remaining €250,000 in deferred payments, in cash over three years as follows:

I. €100,000 one year after completion

II. €75,000 after two years

III. €75,000 after three years

The NOVAprep® assets are being sold to Algimed and include the design and manufacturing rights for the NOVAprep® vial and NPS instrumentation and certain IP and commercial rights. In addition, Algimed will pay Novacyt a royalty of 10% on sales of NOVAprep® products to certain territories for a period of five years from completion. Based on the current level of NOVAprep® sales to these territories, this royalty income could contribute €150,000 of revenue to Novacyt per annum, although there is no guarantee that this royalty level will be

achieved.

In addition, Algimed has entered into a Transitional Services Agreement (TSA) for up to twelve months for a one-off payment to Novacyt of €10,000 at completion. This TSA will cover regulatory and other technical support from Novacyt regarding the CE Mark accreditation transfer to Algimed.

NOVAprep® Closure

During the second half of this year, Novacyt has improved the NOVAprep® financial performance by reducing payroll, closing the UK operations, reducing the French overhead costs and prioritising the sale of NOVAprep® inventory. During this period of restructure, NOVAprep® has contributed net operating cash to the Group in excess of €0.7m which excludes any consideration from Algimed.

Following the sale to Algimed, Novacyt will cease taking sales orders for all NOVAprep® products. However, all open and unfulfilled NOVAprep® sales orders placed with Novacyt prior to 24 December 2019 will be fulfilled by the Company in early 2020. Final closure costs of NOVAprep® are estimated at no more than €100,000.

Graham Mullis, Group CEO of Novacyt, commented:

"I am pleased to announce the completion of the sale of NOVAprep®, which significantly streamlines our operations and strengthens our financial position. The sales of the Clinical Lab and the NOVAprep® assets could eventually generate in excess of €2.2m cash during the next five years through a combination of purchase consideration, royalties and the operational cash inflow generated in the second half of 2019. I am particularly pleased to create this value for the benefit of the Company whilst removing the loss-making Clinical Lab and NOVAprep® assets and enhancing the future profitability of the remaining core businesses.

I am confident that Algimed is the ideal owner of NOVAprep® with its strong track record of servicing cancer and infectious disease clinical markets so that patients and clinicians can continue to benefit from the NOVAprep® technology.

We will utilise the funds from the transaction for working capital purposes as we continue to invest in our product offering and develop new and existing partnerships with global diagnostics companies. Novacyt remains committed to its core strengths of in vitro diagnostics product development, commercialisation and contract manufacturing as we focus on driving value from our profitable Primerdesign and Lab21 businesses."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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About Novacyt Group

The Novacyt Group is an international diagnostics business generating an increasing portfolio of in vitro and molecular diagnostic tests. Its core strengths lie in diagnostics product development, commercialisation, contract design and manufacturing. The Company's lead business units comprise of Primerdesign and Lab21 Products, supplying an extensive range of high-quality assays and reagents worldwide. The Group directly serves microbiology, haematology and serology markets as do its global partners, which include major corporates.

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

About Algimed Trade Ltd

Algimed is a leading, rapidly developing company that specializes in complex equipment for laboratories. Algimed offers a wide range of equipment solutions for laboratories involved in pharmaceutical analytics, clinical laboratory diagnostics, cell and molecular biology, forensics, veterinary and food safety. The Company has a number of exclusive distribution agreements with world-class manufacturers.

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

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