Convertible Bond Facility

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Novacyt S.A.
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Novacyt S.A.

("Novacyt" or the "Company")

Convertible Bond Facility

Paris, France and Camberley, UK - 23 April 2019 - Novacyt (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international specialist in clinical diagnostics, is pleased to announce that it has entered into a Convertible Bonds with Warrants Funding Programme ("Agreement"), for up to €5.0 million (net of expenses) with Park Partners GP and Negma Group LTD ("Park Partners", "Negma", together the "Investor").

Under the terms of the Agreement, the Company will be able to access capital in seven tranches which oblige the Investment Managers to immediately subscribe for an initial tranche of €2.0 million, followed by six further tranches, each of an aggregate nominal value of €500,000 (together the "Tranches"), drawable at the Company's option subject to certain terms and conditions. The Company has immediately exercised its right to the initial tranche of funding giving rise to the subscription of €2.0 million of convertible bonds with warrants by the Investment Managers. The remaining €3.0 million of convertible bonds can be issued by the Company over the next 36 months following today's closing of the Agreement.

Use of Proceeds

The initial €2.0m of funding, will be used primarily for general working capital purposes and support the planned growth of the business in the short and medium term. The full facility funding, if drawn down would also be used to further service outstanding debt and earn out obligations. Ultimately, the Directors believe that the full facility funding would support Novacyt in becoming cash flow self-sufficient in the longer term. The Company currently intends to draw all six further tranches. However, the timing and amount of further drawdowns under this Agreement could be reduced depending upon the potential sale proceeds from the Clinical Lab and NOVAprep business assets, or through the receipt of capital from other sources.

Terms of the Agreement

No interest is payable on the convertible bonds which are unsecured. The convertible bonds, which are convertible at any time at the option of the Investor and must be converted within 12 months following issue, convert at 100% of par value of the tranche and the shares issued to cover the repayment will be issued at 88% of the lowest closing Volume Weighted Average Price ("VWAP") of the 15 days immediately preceding the issuance of a conversion notice issued by the Investment Managers. Each tranche has warrants attached equivalent to 30% of the tranche value. The warrants have an exercise price of 115% of the VWAP of the 15 days immediately preceding the date of the request to issue each tranche. The warrants, on issue, will be immediately detached from the convertible bonds and will be transferable. They can be exercised immediately and for a period of five years from the date of issue ("Exercise Period"). Each warrant will give the bearer the right to subscribe to one (1) new Novacyt share during the Exercise Period.

Pursuant to the terms of the Agreement, the Company will pay an arrangement fee of 3.7% of the facility upon initial draw-down and a further 1.3% on a pro rata basis for subsequent tranches.

Following the initial investment of €2.0 million the Company may draw down subsequent convertible bonds once all previous bonds have been converted or a cool down period of 90 days has elapsed, in relation to the initial €2.0 million tranche, or a cool down period of 40 days has elapsed in relation to any subsequent tranches, such conditions being subject to potential waivers offered by the Investment Manager. Following conversion of the first tranche, the Company does not have any obligation to draw down any further Tranches.

Currently, the Company has sufficient authorities to meet the equity obligations of the initial draw and any further draw downs will be dependent on having sufficient shareholder authorities to issue new shares on a non-pre-emptive basis.

Company update on Trading and Sale Process

The first quarter of 2019 has started well and the Company's financial performance is meeting management expectations. The full audited financial results of 2018 will be published on 25 April 2019 and will show the significant impact of the planned divestment of the NOVAprep® business unit on the core financial performance of the continuing business.

The planned divestment for the NOVAprep® and Clinical lab business units continues to make progress and a further update is expected later in the quarter or as soon as a binding position has been established with a buyer.

Graham Mullis, Group CEO of Novacyt, commented:

"I am pleased that we have secured access to this flexible financing which will enable the Company to continue meeting the growing demand for its products and services. It also means that I and my wider senior management

team can now focus fully on driving the significant growth for the business. We will work closely with the Investment Managers and ensure the utilization of the facility works in the best interests of current shareholders and Novacyt.

We have evaluated multiple funding options in a challenging financial market and we have completed this financing with Park Partners and Negma which offers the least dilutive option for shareholders whilst satisfying the immediate and full working capital requirements of the business".

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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 oncology, 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

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