Trading update

RNS Number : 8237A
Novacyt S.A.
25 January 2024

Novacyt S.A.

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

Full Year Trading update

Integration of Yourgene Health plc ahead of schedule

Paris, France, and Eastleigh and Manchester, UK - 25 January 2024 - Novacyt S.A. (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international molecular diagnostics company with a broad portfolio of integrated technologies and services, announces an unaudited trading update for the year ended 31 December 2023. This includes almost four months' trading of Yourgene Health plc ("Yourgene") following its acquisition, which completed on 8 September 2023.

Financial Highlights

· Unaudited Group statutory revenue for FY 2023 expected to be circa £11.6m in line with management guidance, of which £0.6m relates to COVID (FY 2022*: £21.0m of which £14.7m related to COVID).

· Unaudited Group statutory revenue for the non-COVID portfolio of £11.0m represents over 95% of total revenues (FY 2022*: £6.3m).

· Cash position at 31 December 2023 was £44.1m (H1 2023: £81.7m), reflecting the cash consideration and associated costs of the acquisition of Yourgene, and the Group remains debt free.

*excludes any Yourgene revenue as pre-acquisition

Unaudited Pro-Forma Group revenue

· Pro-forma Group revenue for the 12 months ended 31 December 2023 was £22.9m (2022: £44.3m).

· Excluding COVID sales, core pro-forma revenue for the 12 months ended December 2023 was £21.8m compared to £22.9m for the 12 months ended 2022, a decline of £1.1m or circa 5%.

· Yourgene non-COVID sales were broadly flat year-over-year

o Genomic Technologies saw a £0.5m increase driven by strong growth in Ranger® Technology and Reproductive Health products

o This was offset by a reduction of £0.6m in Genomic Services, due to the reduction in volume of a key customer for the APAC business, and a key EMEA customer moving to in-house testing using Yourgene's non-invasive prenatal testing ("NIPT") system.

· The Novacyt non-COVID portfolio had a weaker H2 after strong sales in H1

o Primer Design business revenues were £0.5m (11%) lower than prior year

o IT-IS International instrument sales declined £0.4m (32%) compared to 2022, which is a high comparator given the greater demand for instruments in H1 2022 due to COVID.

Integration of Yourgene Health plc

In September 2023, Novacyt completed the strategic acquisition of Yourgene, significantly enhancing its global diagnostics capabilities, adding scale and diversification to accelerate the long-term growth of the Company. Following the acquisition, the Group has a broader technology portfolio, strengthening its end-to-end customer offering; enhanced routes to market in Europe, Asia and the Americas; and expanded skills and expertise in the development and commercialisation of innovative molecular diagnostics.

As part of the ongoing integration process the Company has reorganised the business, transferring the development and commercialisation of all clinical products to Yourgene, which will enable Primer Design to focus on its core flagship offering, developing research use only ("RUO") assays. The IT-IS business will continue its focus on real-time quantitative PCR instrumentation and will also add technical and engineering know-how and expertise to support growth in the Ranger Technology instrumentation range.

Following this reorganisation, the Group will be split into the following business segments:

Clinical	Broad portfolio of human clinical *in vitro* diagnostic products, workflows and services focused on three therapeutic areas: · Reproductive Health: NIPT, Cystic Fibrosis and other rapid aneuploidy tests · Precision Medicine: DPYD genotyping assay · Infectious Diseases: Winterplex, multiplex winter respiratory PCR panel
Instrumentation	Portfolio of next generation size selection DNA sample preparation platforms and rapid PCR machines, including: · Ranger® Technology: automated DNA sample preparation and target enrichment technology · MyGo: real-time quantitative PCR (qPCR) instruments
Research Use Only	Range of services for the research industry: · Design, manufacture, and supply of high-performance qPCR assays and workflows for use in human health, agriculture, veterinary and environmental, to support global health organisations and the research industry · Pharmaceutical research services: whole genome sequencing (WGS) / whole exome sequencing (WES)

Reduction in cost base

The acquisition business case assumed £5.0m of annualised cost synergies would be achieved by year three of the integration, with circa £2.5m of investment required to achieve those savings. The Group is currently tracking substantially ahead of this target with 80% of the annualised savings realised at the end of 2023 and the balance set to be delivered by the end of 2024. The costs of achieving these synergies is also well within the planned £2.5m investment forecast. The main savings so far have been delivered from the refocus of the Primer Design business on the RUO market, the elimination of duplicate corporate functions and streamlining of management.

Update on Taiwanese divestment

The divestment of the Taiwanese service laboratory to INEX Innovate Pte Ltd is still progressing. As previously announced, the necessary government approvals for the divestment have taken significantly longer to achieve than originally anticipated. Both parties remain committed to completing the transaction, and the Group will update the market in due course.

Commercial progress

The Group's commercial focus remains on the continued roll-out of key clinical products in its core markets in Europe and Asia.

Obtaining certification for its clinical products under the new EU requirements of the *In Vitro* Diagnostic Regulation ("IVDR") remains a key focus for the Group. In November 2023, the Group's first product, the Yourgene® DPYD genotyping assay, received IVDR certification. In December 2023, the Company submitted the application for its Cystic Fibrosis quantitative fluorescence PCR (QF-PCR) test.

The Company has seen strong growth in its cystic fibrosis portfolio in Q4 2023 in Australia following the introduction of a new nationwide reimbursement pathway by the Australian government that enables all eligible Australians to receive cystic fibrosis screening either prior to, or early in pregnancy.

The Primer Design RUO portfolio is focused on three sectors, agriculture, human health and animal health, where the business has a key value proposition, high growth potential and a foundational customer base. The business has a solid and growing pipeline of opportunities supported by a new marketing and product management team to drive demand for the RUO portfolio.

The Company continues to drive new opportunities for Ranger Technology across new applications. Instrument sales have been strong in APAC, especially in China where the technology is under evaluation by multiple organisations. In November 2023, Yourgene became a compatible partner of PacBio, a leading developer of high-quality, highly accurate sequencing solutions with a global customer base. PacBio released a technical note, endorsing the use of Yourgene's LightBench® instrument (Ranger Technology) with PacBio's HiFi sequencing system for size selection of long DNA fragments to enable high yields for HiFi sequencing data. PacBio's customer base spans a broad set of research areas, including human genome sequencing, plant and animal sciences, infectious diseases and microbiology, oncology and other emerging applications, which represents a significant opportunity to expand the use of Ranger Technology.

Strategy

The Company is focused on leveraging its core strength and expertise in cell-free DNA applications to deliver long-term sustainable growth, by increasing market penetration and international sales of key products, expanding its portfolio, and pursuing strategic business development opportunities to build a global molecular diagnostics business.

Commenting James McCarthy, Acting Chief Executive Officer, said: "The acquisition of Yourgene was a significant milestone for Novacyt, adding scale and diversification to our product portfolio and wider customer offering, as well as our sales and R&D teams. The integration process is ahead of schedule with synergies already being realised, and I believe we are well placed to execute our growth strategy. We have been encouraged by customer demand for our products, particularly Ranger Technology and our reproductive portfolio and remain focused on driving the global sales of our key clinical and instrumentation products while also rebuilding our RUO business."

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

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About Novacyt Group (www.novacyt.com)

Novacyt is an international molecular diagnostics company providing a broad portfolio of integrated technologies and services, primarily focused on the delivery of genomic medicine. The Company develops, manufactures, and commercialises a range of molecular assays and instrumentation to deliver workflows and services that enable seamless end-to-end solutions from sample to result across multiple sectors including human health, animal health and environmental.

The Company is divided into three business segments:

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Novacyt is headquartered in Vélizy in France with offices in the UK (in Stokesley, Eastleigh and Manchester), Taipei (divestment pending), Singapore, the US and Canada and has a commercial presence in over 65 countries. The Company is listed on the London Stock Exchange's AIM market ("NCYT") and on the Paris Stock Exchange Euronext Growth ("ALNOV").

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

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