

# Manufacturing and R&D update for COVID-19 test

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Novacyt S.A.

15 April 2020

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("Novacyt" or the "Company")

Manufacturing and R&D update for COVID-19 test

Paris, France and Camberley, UK - 15 April 2020 - Novacyt (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international specialist in clinical diagnostics, provides a manufacturing, and research and development update on its polymerase chain reaction (PCR) test for COVID-19, developed by Primerdesign, the Company's molecular diagnostics division based in the UK.

## Manufacturing capacity

Novacyt is focused on managing what it believes will be a period of sustained, significant demand for its COVID-19 test. The value of the current order book, anticipated sales contracts and the growing number of potential orders means further significant commitments to manufacturing capacity are being made.

Further to the announcement on 30 March 2020, Primerdesign has now achieved the target run-rate of manufacturing its COVID-19 test at a rate of four million tests per month. To continue to meet demand, the Company is working to further increase this manufacturing capacity and has signed manufacturing partnership agreements with BioPharma Process Services Ltd and Biofortuna Limited, both based in the UK, to support its existing partnership agreements. In addition, Novacyt continues to scale-up its own production at its Primerdesign site in Southampton, UK. With this additional capacity, the Company expects, over the next three months, to increase production of the test to approximately eight million tests per month.

As part of Novacyt's ongoing evaluation of additional capacity options, the Company is also in discussions with further potential UK-based manufacturing partners.

In order to manage and support the planning, procurement and logistics for this capacity increase, Novacyt has engaged Chartwell Consulting, a specialist in rapid process improvement ([www.chartwell-consulting.com](http://www.chartwell-consulting.com)). Chartwell has a team of senior consultants working within Novacyt to assist with the management of the scale-up

plans to help deliver the planned increases in Primerdesign's production, and supply chain capacity.

Given the planned increase in production, the Company has begun ordering additional raw materials to support this expansion. The Company is also expanding its key raw material supplier base for its COVID-19 test. Currently there are a total of 76 components required for its COVID-19 test and Chartwell is helping the Company to identify additional suppliers in order to develop a long-term and sustainable supply of its kits at this volume.

#### Research and development update

Novacyt has been working to address the current reported shortfall in extraction reagents required to perform PCR testing through the development of a new "direct-to-PCR" extraction method prior to running the Company's COVID-19 test. This removes the need for some scarce reagents and significantly reduces the number of extraction steps, allowing faster cycle times, higher throughputs and cost savings. The Directors believe this innovation should facilitate an increase in testing capacity for COVID-19, removing a current bottleneck in sample processing for laboratories. Novacyt expects to have this new extraction technology available to launch in May 2020.

Graham Mullis, Chief Executive Officer of Novacyt, commented:

"Our primary focus today is to expand Primerdesign's manufacturing capacity as quickly as possible to service the continued significant demand for our COVID-19 test. Whilst we are delighted with the progress we have made in ramping-up manufacturing capacity, we need to expand this further and are therefore putting in place plans to ensure we can continue to support our growing order book. This includes the appointment of a specialist consulting company to focus on operational efficiency, which will enable Novacyt to build a larger, sustainable supply-chain. I would like to thank our manufacturing partners and suppliers for their support during this pandemic."

Andy Redfern, Partner at Chartwell Consulting, commented:

"We are delighted to partner with Novacyt and work with its manufacturing and supply chain team to deliver a significant increase in throughput of an important test for COVID-19. The scale and pace of the ramp-up in manufacturing capacity is crucial as we support Novacyt in continuing to meet the demand for its COVID-19 test."

Novacyt has also received emergency use approval for its test from the Federal Drug Agency of Saudi Arabia and from the National Agency of Drug and Food Control of the Republic of Indonesia, as well as import approval from the Drugs Controller General of India.

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](http://www.novacyt.com)

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