New term loan and termination of bond facility

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

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termination of convertible bond facility

Paris, France and Camberley, UK - 6 November 2019 - Novacyt (ALTERNEXT: ALNOV; AIM: NCYT), an international specialist in clinical diagnostics, announces it has agreed a €5.0m four-year term loan. The funds will be used for the repayment of certain outstanding loans, working capital and the immediate settlement of its entire convertible bond facility.

This new debt financing of €5.0m (€4.9m net of fees) has been provided by Harbert European Growth Capital ("HEGC"). These funds will be used to immediately reduce certain balance sheet liabilities and provide significant working capital for the Group. The funding also means that the €5.0m convertible bond facility provided by Negma Group Ltd ("Negma"), announced on 23 April 2019 has been terminated. Of the €2.0m drawn down to date, €0.7m was unconverted and will be redeemend in cash. The remaining €3.0m of the original facility was not drawn down and has now been cancelled.

Graham Mullis, CEO of Novacyt, commented:

"The financing completed with HEGC is excellent news for the Company, its shareholders, creditors and employees. We have continued to experience increasing demand for our products throughout 2019, which led to 12% growth in sales in H1, however, trading from the second quarter through to today has been directly impacted by low levels of working capital. This new financing addresses the working capital constraints and also removes the requirement for further drawdowns of the dilutive Negma convertible bond facility. I would like to express my thanks to Kreos, Vatel and the former shareholders of Primerdesign who have supported the Company through to the successful completion of this refinancing.

"Novacyt's solid operating foundation is its strength in in-vitro diagnostic product design, development, commercialisation and contract manufacturing. I look forward to being able to focus again on building this core foundation as we work hard to restore shareholder confidence and deliver value through a profitable, high growth diagnostics company and we encourage shareholders to focus on these fundamentals."

Johan Kampe, Senior Managing Director at HEGC, commented: "We are excited to be part of Novacyt's continued growth story and have been impressed by the Company's sustained growth. We look forward working with what we believe to be a very high quality management team."

Lyall Davenport, Investment Associate at HEGC, added: "We have been impressed by the strong underlying business units within the Novacyt group, and are excited to contribute to the continued development of the group and look forward to generating meaningful shareholder value to the business in the long term."

Use of Proceeds

The planned use of proceeds of the net €4.9m is as follows:

·; Full repayment of Kreos Capital bonds	€1.2m
·; Payment of the balance of the final Primerdesign milestone	€0.8m
·; Repayment of all unconverted debt with Negma	€0.9m
·; Working capital	€2.0m

Following the completion of the HEGC facility, all liabilities with Kreos Capital and the former shareholders of Primerdesign have been settled in full. Furthermore, as reported on 26 September 2019 no further milestone payments are due to Omega Diagnostics for the acquisition of the Omega Infectious Disease assets.

HEGC term loan

The €5.0m HEGC secured term loan is repayable over 48 months with an intital 12 month interest-only period followed by 36 equal monthly payments of interest and capital. Key features of the loan are:

·; Interest is fixed at 11% per annum throughout the four-year term

·; HEGC is granted warrants over 6,017,192 ordinary shares (8.5% of the principal loan amount) with a conversion price of €0.0698 each, representing a 5% discount on the volume weighted average price ("VWAP") of the ten trading days prior to completion, exercisable for a period of 7 years from completion

·; Arrangement fee of €75,000 (1.5% of the principal loan amount) on completion

·; No fees payable at the end of the loan

·; HEGC have taken a first ranking charge over the assets of the UK businesses with a pledge over Novacyt

·; Novacyt may pay back the loan in full at any time during the 48 months

Termination of Negma convertible bond facility and cancellation of warrants

In April 2019, Novacyt entered into a convertible bond facility with Negma for a maximum amount of €5.0m over three years to support the planned growth of the Group. The Company has drawn down €2.0m from this facility with €0.7m of this amount remaining unconverted into equity representing 278 notes of €2,500 each, which includes 74 notes issued to Negma for the arrangement fee. Under the termination agreement, the Company has made a full and final repayment of €0.9m to Negma, including redemption premium, to redeem the remaining unconverted notes. Furthermore, the Company confirms it will not make any further draw downs against the Negma convertible bond facility.

Pursuant to the termination agreement, Negma has cancelled 1,300,000 warrants, with an exercise price of €0.22 per share that were granted to it by the Company when it entered into the convertible bond facility (the "Cancelled Warrants"). This provides the Company with sufficient shareholder authorities to fulfil the terms of the warrant agreement with HEGC. Negma continues to hold 1,679,544 warrants (the "Remaining Warrants") which expire in April 2024.

The Company can replace the Cancelled Warrants during the remaining life of the original warrants on the same terms, subject to shareholder approval being granted for sufficient authorities and the exercise price of the Cancelled Warrants and the Remaining Warrants being modified to €0.20 per share. In the event that the Cancelled Warrants are not replaced, the Company has provided a guarantee to Negma for any financial loss suffered due to it not being able to exercise the Cancelled Warrants, which cannot be exercised in the first 24 months unless the Remaining Warrants have also been exercised.

Restructure of remaining Vatel Bond

In May 2018, Novacyt entered into an unsecured bond facility with Vatel Capital SAS ("Vatel") for €4.0m to be repaid over three years at an interest rate of 7.4%. The Company has since repaid €1.5m of this bond, leaving €2.5m of capital to pay. Under the terms of an agreed restructure with Vatel, the interest rate has been retrospectively increased to 8.9% (effective 31 July 2019) and the term of the loan is extended by 12 months to May 2022, reducing annualised payments due to Vatel by €440k.

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 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

About Harbert European Growth Capital

Since 2014, Harbert European Growth Capital has been providing specialty debt financing to over 100 European, growth-stage, technology and life science businesses. Harbert invests in businesses with strong management teams and proven revenue traction that are in need of additional capital to fuel further growth.

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