Update on Strategic Review

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Novacyt announces update on strategic review

of non-core assets

NOVAprep® and clinical laboratory enter formal sales process

Novacyt to enhance focus on core profitable

diagnostic products business

Paris, France and Camberley, UK - 11 December 2018 - Novacyt (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international specialist in clinical diagnostic products, today provides an update on the strategic review of the NOVAprep® business unit, as announced on 2 August 2018.

Following an extensive review of the NOVAprep® business unit, the Board has concluded that a sale of the assets has the potential to maximise shareholder value. This has been prompted in part by an unsolicited proposal to acquire the business. As a result, the Board has appointed advisors and initiated a formal open-market sales process of the NOVAprep® business unit. This may result in the sale of the entire business unit either as a single entity or as separate assets to multiple parties.

Having completed the strategic review process, the Board has reaffirmed its commitment to its core strengths of in vitro diagnostics product development, commercialisation and contract manufacturing and will focus on driving value from its already profitable business units of Primerdesign and Lab21 Products.

As a result, the Company has also concluded that its clinical laboratory unit (the "Clinical Lab"), a small part of the Lab21 business based in Cambridge, UK, which specialises in clinical pathology testing services in oncology and virology, is also non-core and not integral to its in vitro diagnostic products focus. Through appointed advisors, the Group has been running a formal sale process and received multiple expressions of interest.

The Board is optimistic about the current levels of interest and engagement in the sale of these two business units and expects to update shareholders on the sale processes in the first quarter of 2019. However, there can be no certainty that these formal sale processes will result in any successful transactions.

As a result of the decision to sell the NOVAprep® business unit, the Company expects that NOVAprep® would be treated as a discontinued operation under IFRS subject to auditor approval. This would result in stronger reported

operating results for the Group on a continuing operations basis in the current and prior financial years due to the discontinued operation.

About NOVAprep®

The NOVAprep® business has enjoyed high revenue growth in the past three financial years as Novacyt invested in rolling out the system into developed and the developing markets in Asia where there is a significant market opportunity for further growth.

For the financial year 2017, the NOVAprep® business unit reported revenue of €2.2m, with a divisional EBITDA loss of €1.2m impacting the profitability of the wider Group.

The strategic review has reinforced the Board's belief of the value of the NOVAprep® technology in growing markets, such as Asia and other developing markets, but it has concluded that Novacyt cannot continue to support the investment still required to realise the division's full potential. NOVAprep® revenues represent less than 9% of the consolidated Group revenue and the Board believes a focus on its profitable core diagnostic reagent development and manufacture business units, will drive significantly greater value for its shareholders.

About Clinical Lab

For the financial year 2017, the Clinical Lab reported revenue of €0.8m and a €0.1m loss at an EBITDA level.

The Clinical Lab formed part of the original business of Lab21 and provides specific molecular testing services to the UK and Middle-East markets. The proposed sale of this asset supports the restructure of the Group, which, alongside the proposed sale of NOVAprep®, allows the Group to fully focus on the product reagent businesses of Primerdesign and Lab21 Products and will reduce the number of sites it operates on from five to three.

Graham Mullis, Group CEO of Novacyt, commented:

"The potential sales of NOVAprep® and the Clinical Lab represent key steps in streamlining the Group to focus on diagnostic products and product development services. We remain committed to our three strategic pillars of organic, acquisitive and R&D based growth. By focusing further on our core strengths and taking a more targeted investment approach, we expect to continue to improve efficiency and profitability across the Group and improve shareholder returns. I look forward to updating shareholders with the progress of the sale processes during the first quarter of 2019."

Inside Information

This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of the Company is Anthony Dyer.

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About Novacyt Group

The Novacyt Group is a rapidly growing, international diagnostics group with a growing portfolio of cancer and infectious disease products and services. Through its proprietary technology platform, NOVAPrep®, and molecular platform, genesig®, Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products across an extensive international distributor network. The Group has diversified sales from diagnostic reagents used in oncology, microbiology, haematology and serology markets, and its global customers and

partners include major corporates.

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

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