



## **UPDATE ON ACQUISITION OF PRIMERDESIGN LTD**

### ***Primerdesign launches one of the world's first Zika virus tests***

**Paris, France and Cambridge, UK – 11 February, 2016** – Novacyt (ALTERNEXT: ALNOV), an international specialist in cancer and infectious disease diagnostics, updates the market on its intended acquisition of Primerdesign Ltd ("Primerdesign"), a profitable and rapidly growing UK molecular diagnostics company.

On 18 January 2016, Novacyt announced its intention to acquire the entire share capital of Primerdesign for £9.85m (approximately €13.0m), plus an additional performance consideration of £2.5m (approximately €3.3m) payable on the achievement of certain sales targets over three years.

As a rapid developer of molecular tests, Primerdesign is a world-leader in responding to new disease outbreaks. Primerdesign was one of the first diagnostic manufacturers to respond with a swine flu detection kit in 2009, as well as during the recent Ebola virus outbreak in 2014. Primerdesign has once again responded rapidly to an emerging global crisis, this time addressing the outbreak of the Zika virus.

The Zika virus is a mosquito-borne virus that has been reported in Africa, southern Asia, the Pacific Islands and recently in some European countries. Symptoms include mild fever and skin rash, usually accompanied by conjunctivitis, muscle or joint pain, and general malaise. However, it has recently been associated with foetal birth defects and poor pregnancy outcomes in babies whose mothers were infected with Zika virus while pregnant.

Primerdesign has developed a real-time, non-clinical molecular Zika virus testing kit that is already in use in 18 countries around the world including Brazil. It is also in the final stages of developing a single molecular diagnostic test capable of detecting and distinguishing three mosquito-borne diseases, Zika virus, Chikungunya virus and Dengue Fever which are closely related and clinically important vector borne diseases. Primerdesign has received significant interest for these tests from affected countries, which could result in significant new sales in 2016.

The highly strategic combination of Primerdesign with Novacyt will reinforce the Group's growth strategy, significantly increase sales, be accretive in the first full calendar year of ownership and transform the profitability of the Group in 2016 and beyond. Novacyt notes that Primerdesign's financial results for the four months ended 31 January 2016 are in line with management expectations, with sales of £1.24m (€1.70m), 20% higher than the same prior year period.

The Group is pleased to report good progress in the financing of the acquisition with indications of interest from existing shareholders and new investors. The contribution appraiser appointed by the Commercial Court of Versailles issued a favourable opinion confirming that the contribution in kind for 6,378,235 euros payable in Novacyt shares was not overvalued.

#### **Graham Mullis, Group CEO of Novacyt, commented:**

"I am very encouraged by the initial reaction of existing shareholders and new investors to our proposed acquisition of Primerdesign. Primerdesign continues to demonstrate innovation, strong sales growth and product line expansion. Its new Zika virus diagnostic kit is already available as a non-clinical test and has the potential to significantly accelerate sales growth in 2016. The acquisition of Primerdesign will accelerate Novacyt's sales and profitability growth, add significant future synergies in new product sales and enhance the prospects and value of the Novacyt Group."



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### **About Novacyt Group**

The Novacyt Group is a leader in the field of cellular diagnostics with a growing portfolio of cancer and infectious disease products and services. Through its proprietary technology platform NOVAprep® and a strong international network Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products. 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](http://www.novacyt.com)

### **About Zika virus**

Since April 2015, a large, ongoing outbreak of Zika virus that began in Brazil has spread to much of South and Central America, and the Caribbean. In January 2016, the U.S. CDC issued a level 2 travel alert for people traveling to regions and certain countries where Zika virus transmission is ongoing. Governments or health agencies of the United Kingdom, Ireland, New Zealand, Canada, and the European Union soon issued similar travel warnings. In Colombia, Minister of Health and Social Protection Alejandro Gaviria Uribe recommended to avoid pregnancy for eight months, while the countries of Ecuador, El Salvador, and Jamaica have issued similar warnings.

According to the CDC, Brazilian health authorities reported more than 3,500 microcephaly cases between October 2015 and January 2016. Some of the affected infants have had a severe type of microcephaly and some have died. The full spectrum of outcomes that might be associated with infection during pregnancy and the factors that might increase risk to the fetus are not yet fully understood. More studies are planned to learn more about the risks of Zika virus infection during pregnancy. In the worst affected region of Brazil, approximately 1 percent of newborns are suspected of being microcephalic.

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