



NOVACYT
GROUP

Investor Presentation May 2016

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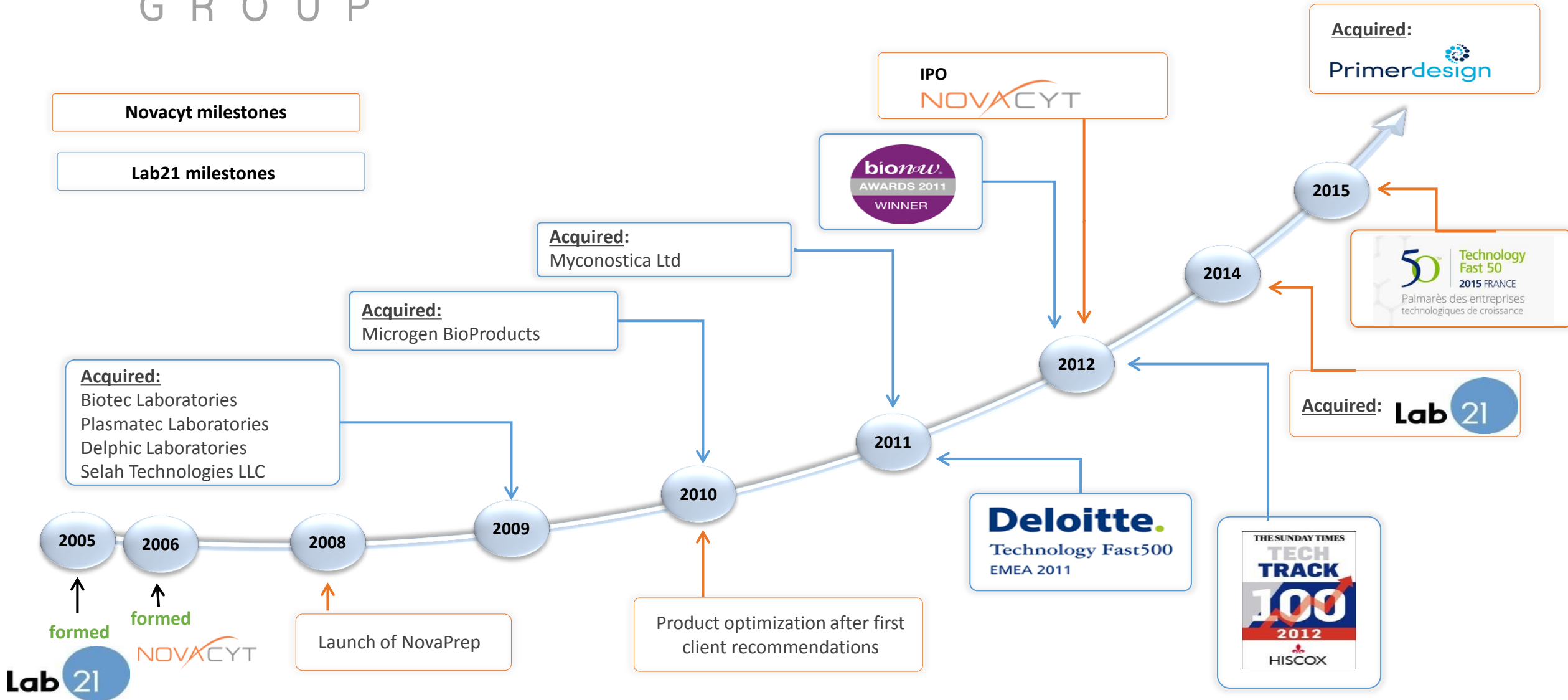
NOVACYT'S AMBITION

IS TO BECOME A LEADER IN CYTOLOGY AND MOLECULAR
DIAGNOSTIC IN ONCOLOGY AND INFECTIOUS DISEASE

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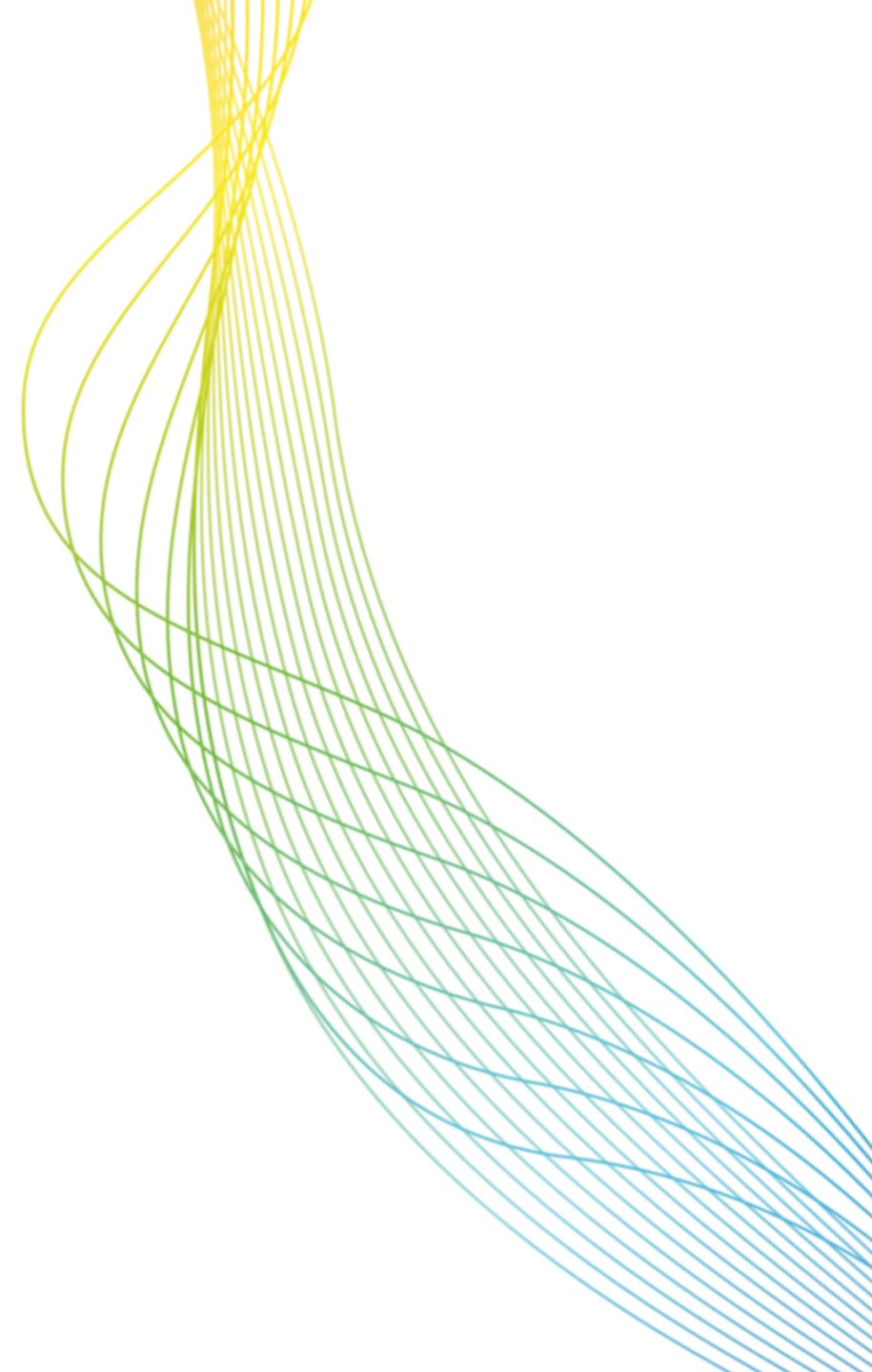
Novacyt milestones

Lab21 milestones



2015 year of integration, investment and growth

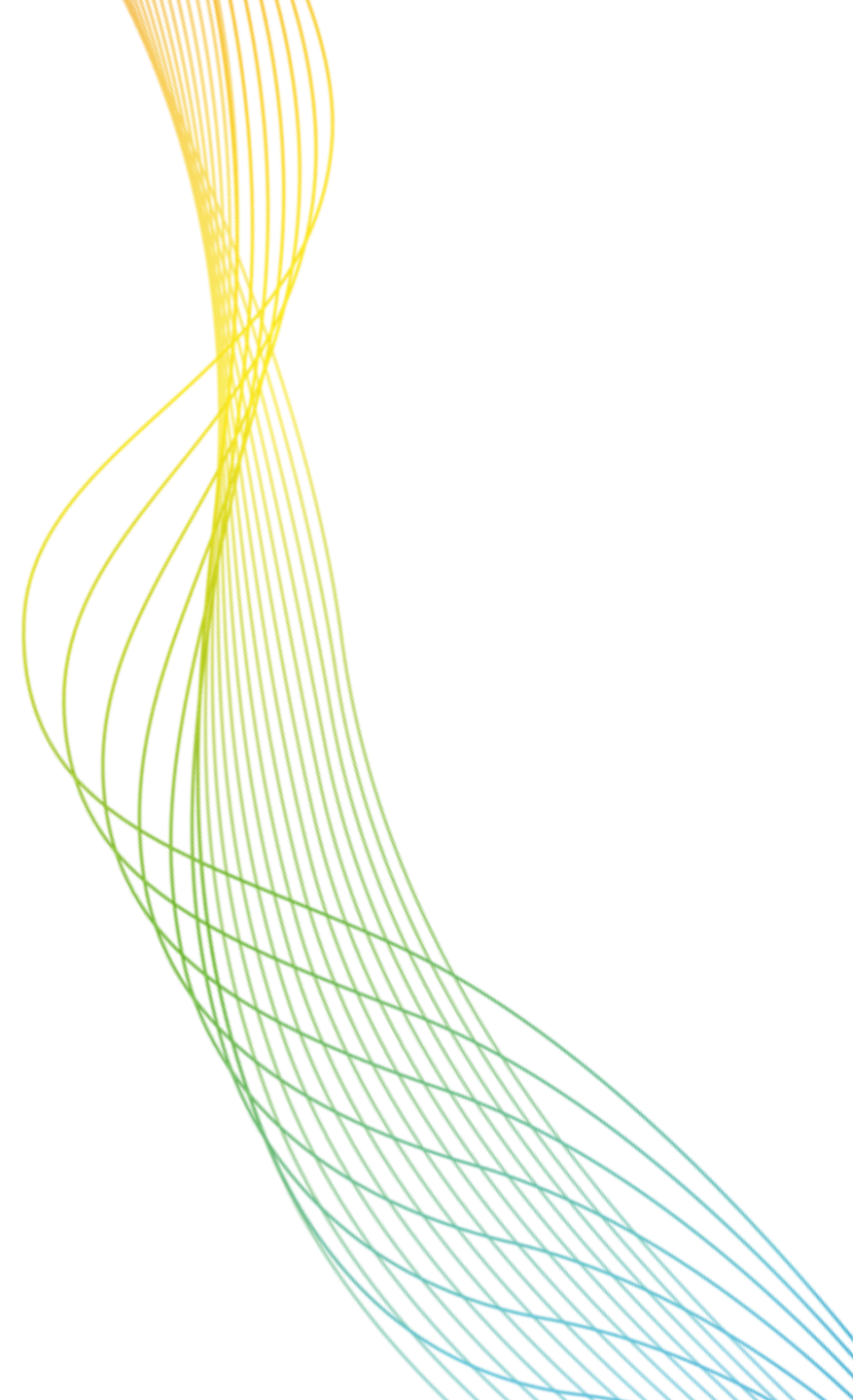
- High growth business with Group sales of €8.9m and 14% growth
 - Novaprep® technology platform delivering 30% growth
 - Remaining Lab21 product portfolio sales €7.6m growing at 12%
- Gross margin increased by 4.5 percentage points to 48.1%
- Successful integration of Lab21 following acquisition in 2014
- Investment in infrastructure to drive future growth
- Management remain focused on delivering strong double-digit growth



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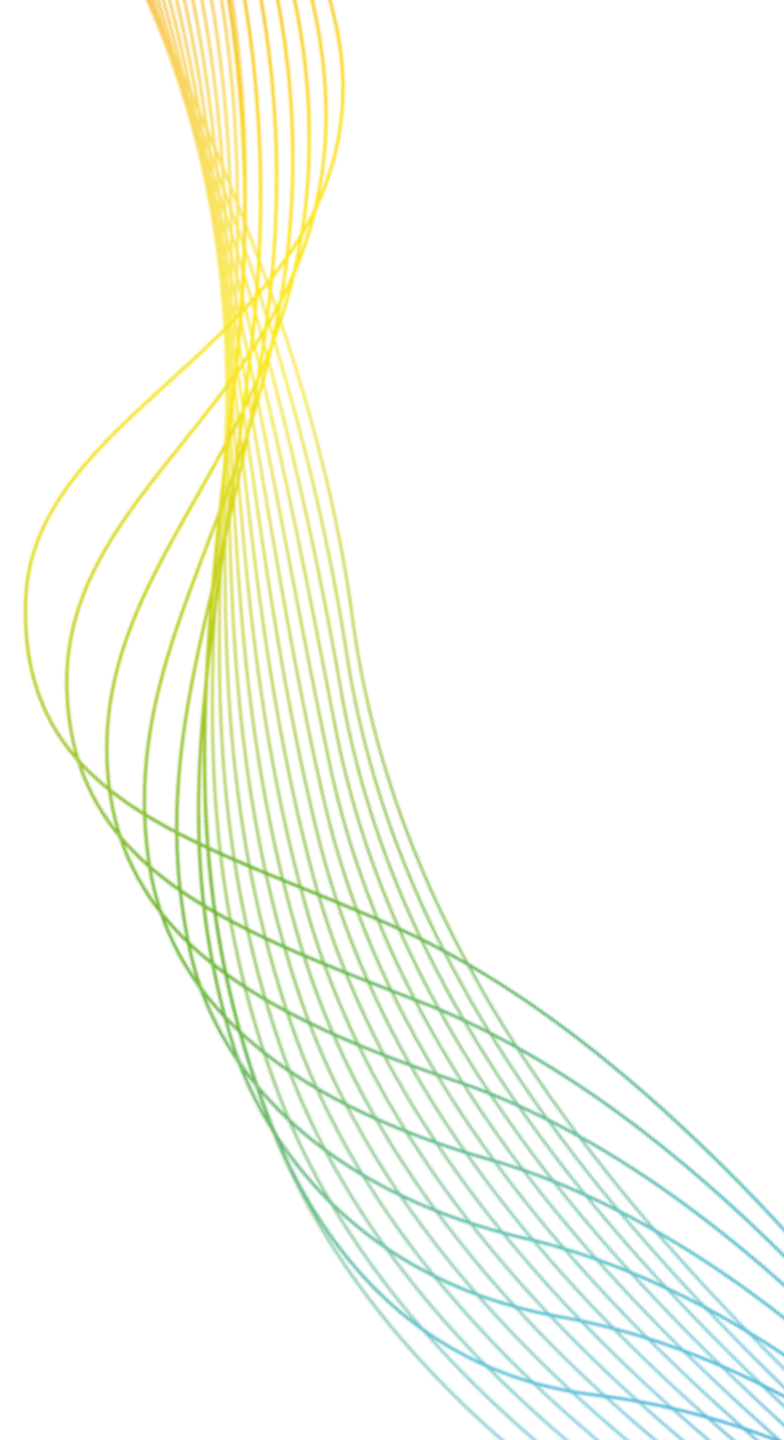
Novacyt strategy

- Focus on expanding product and services success
 - Expanding territories
 - Focus on Asia and Europe
 - Collaboration agreement with Leica and MDL Asia
 - Broadening product reach
 - Collaboration agreement with Abbott expanding Novaprep into HPV testing market
 - Collaboration with St Stephen's AIDS Trust in anal cancer
 - Identify and expand new product opportunities
- Selective technology and product acquisitions across Europe
 - Add synergistic platform technology specifically in molecular diagnostics, the fastest growing segment of the diagnostics market
 - Expand sales and distribution channel
 - Increase financial strength of the Group to accelerate earnings and earning potential



Novaprep® commercial focus

- Territory expansion in cervical cancer screening:
 - New international markets in Asia Pacific and Europe
 - Continued focus and investment in China
 - Evaluate partners for South America
- New market segments:
 - Other markets e.g. anal, bladder and thyroid cancer
 - Other fields such as bio-banking
 - Expand B2B opportunities for the Novaprep® consumable with other platform providers
- Launch manual version of Novaprep® system
- Add molecular diagnostics content to Novaprep® testing platform





Novaprep® vial technology serves multiple growing markets

Cervical cancer screening PAP Smear market

**USD 3.2 billion
CAGR +6.3%**



- Convert conventional cervical cancer screening representing 50% of global market
- Switch existing liquid based cytology users to NOVAprep®
- Focus on developing markets

Cervical cancer screening HPV market

**USD 675.5m million
CAGR +8.3%**



- NOVAprep vial to be commercialised with HPV platform providers
- Exploit superior sampling and DNA stability of vial/medium

Other cancers where cytology & molecular diagnostics converge

**USD 2.1 billion
CAGR +17%**



- Identify niche markets with other cancers where cytology and molecular biology required
- Example anal cancer where 80% caused by HPV infection
- Other opportunities may exist in penile, lung, vulva and head-and-neck cancer

Cellular bio-banking market expanding rapidly

**USD 175.2 million
CAGR +5.4%**



- The global biobank industry is segmented; human tissue banking, population banking, stem cell banking, commercial biobanks, private cord banking, academic collections and other services such as DNA and RNA storage
- New target market under evaluation

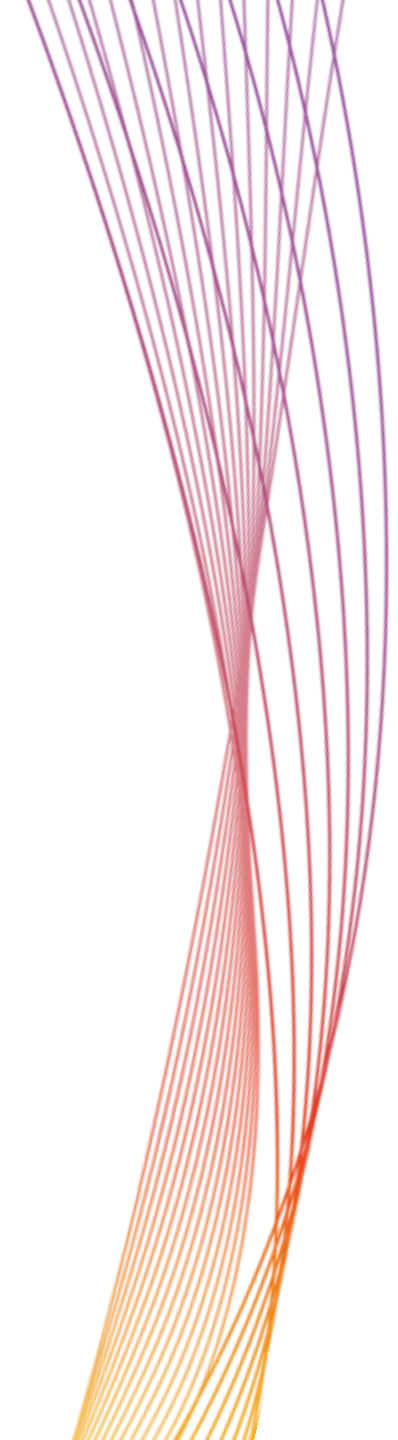
Lab21 products and commercial focus

- Robust, profitable sales
- Broad portfolio of established infectious disease and oncology diagnostic products
- Strong distribution through >300 distributors particularly in developing markets
- Significant brand equity in multiple niche markets to be leveraged by Primerdesign
- Strong infrastructure in development, manufacturing and distribution
- Strong complementary molecular expertise from UK personalized medicine position

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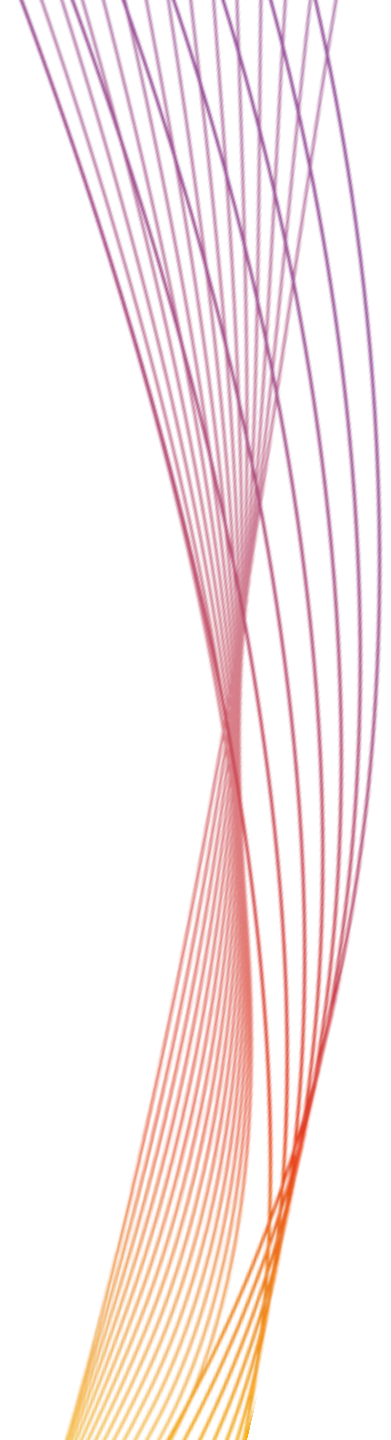
Primerdesign acquisition rationale

- Strategic fit with Group strategy, significantly increase sales, be accretive in the first full calendar year of ownership and transform profitability of Group
- Primerdesign gives Group a second platform technology, genesig®, which is expected to add significant future synergies with Novaprep®
- Primerdesign molecular diagnostics assays focus on infectious disease and oncology which are complementary to Novacyt's portfolio
- Novacyt provides regulatory and sales infrastructure to develop clinical-based diagnostics from Primerdesign's non-clinical portfolio accelerating sales growth
- Primerdesign is dynamic and innovative business with capable management team



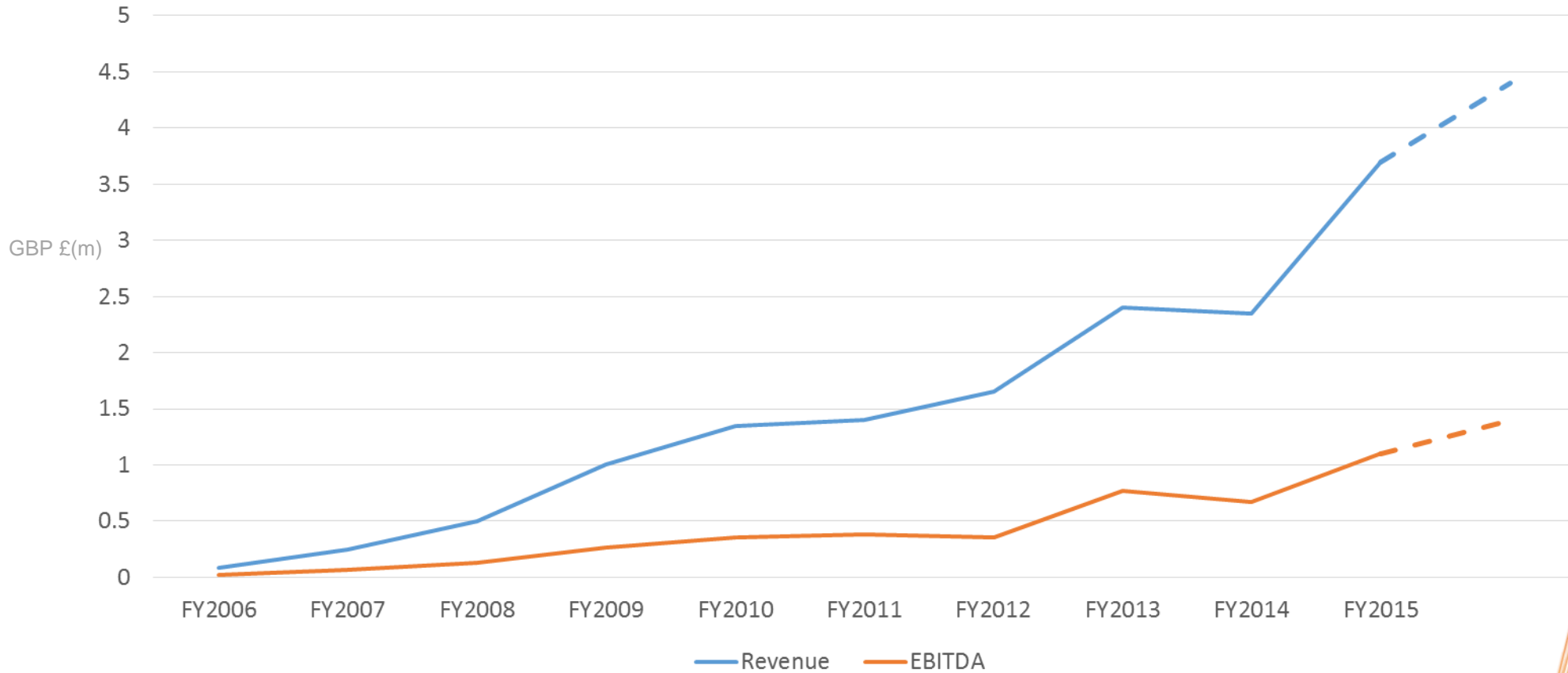
Jim Wicks – Managing Director Primer Design Ltd

- Molecular reagents and kit design, development, production and sales
- Founded 2005 to exploit multi-billion dollar molecular diagnostics market
- Total headcount of 25 in high-end molecular designed facilities
- Catalogue >450 pathogen detection kits
- Track record of strong and sustainable sales and margin growth



Primerdesign indicative financial performance (GBP)

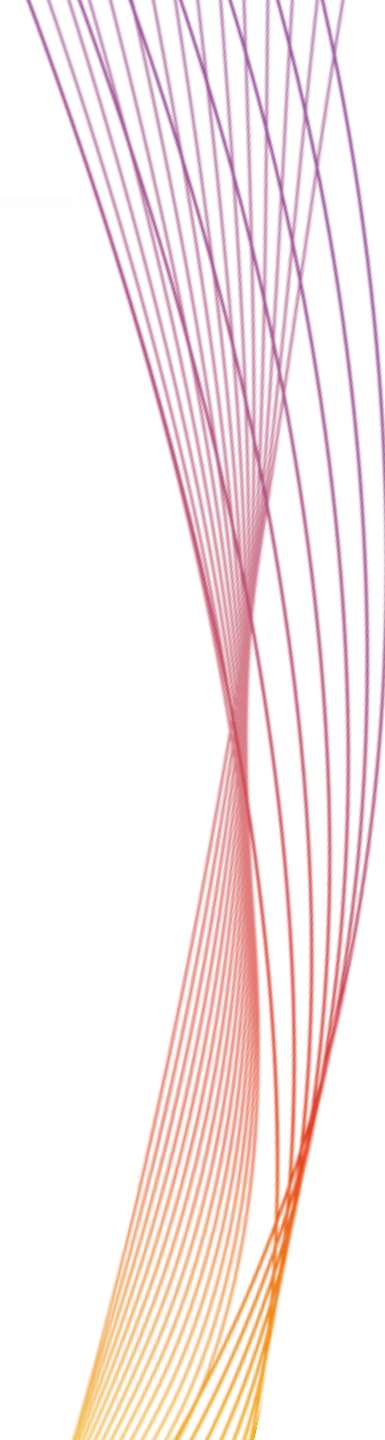
Primerdesign Ltd Revenues and EBITDA



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Primerdesign business model

- Instrument sales
- Consumable reagent sales
- Significant gross profit margins
- Highly scalable business model



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Primerdesign world class R&D capability

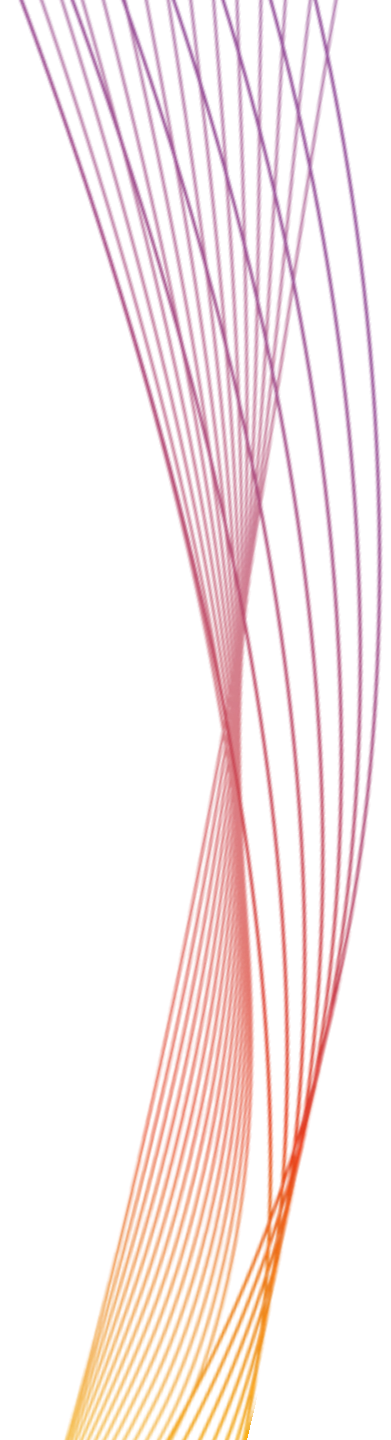


- R&D pipeline delivering new products every 2 weeks
- Uniquely positioned to respond fastest in disease outbreak
 - H1N1 swine flu
 - Ebola
 - Zika Virus
- R&D synergies with Novacyt
 - HPV
 - Oncology biomarkers

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Primerdesign commercial focus

- Underlying market growing 15% pa, our growth at ~20% pa – gaining market share
- Expand RUO & industrial territories
- Expand into clinical markets
 - Regulatory approval for product range CE-IVD
 - Development of distributor network
 - US emergency approval for Zika kit
- genesig instrument q16 sales
 - Closed platform
 - Ease of use
 - Affordability
- Identify product synergies with Novaprep



Primerdesign acquisition – transaction summary

- Novacyt will acquire 100% of the share capital of Primerdesign Ltd
- Initial consideration of £9.85m (€13.0m) split £5m (€6.6m) cash and £4.85m (€6.4m) equity
- Additional cash earn-out of £2.5m subject to achievement of demanding sales targets
- Additional warrants 1,000,000 issued at strike price of €1.16 exercisable after lock-up period with an added value cap of €2.56m
- Valuation less than 3x revenue and 9x EBITDA
- Exclusive lock-up of sellers and all key staff entered into long term employment contracts with Novacyt

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Consolidated income statement

€'000	2015	2014 ¹	2013 ²
Revenue	8,892	4,526	1,154
Gross profit	4,275	1,973	566
Gross margin %	48.1%	43.6%	49.0%
EBITDA ³	(2,928)	(1,611)	(867)
Recurring operating loss	(3,235)	(1,844)	(1,055)
Operating loss ⁴	(13,185)	(3,686)	(995)
Total net loss	(13,908)	(3,912)	(996)
Cash	1,681	2,327	840
Borrowings ⁵	(3,373)	(1,021)	(209)
FCF ⁶	(6,175)	(2,647)	(1,399)

1. Lab21 consolidated in H2 14. The results have been restated under IFRS.

2. Financial results of Novacyt only for 2013, restated under IFRS.

3. EBITDA is presented before non-recurring charges and income.

4. Operating loss in 2015 includes a non-cash goodwill impairment charge of €9.8m* relating to the acquisition of Lab21.

5. Borrowings includes Clydesdale loan of €1m (Lab21) in 2014 and Kreos bond of €3.4m in 2015. €1.5m of Kreos bond used to restructure Clydesdale loan incl. €0.5m exit fees.

6. Free cash flow (EBITDA - Capex) includes working capital outflow of €2.4m in 2015 and €0.5m in 2014. €2.0m relates to Lab21 acquisition costs and IFRS conversion costs.

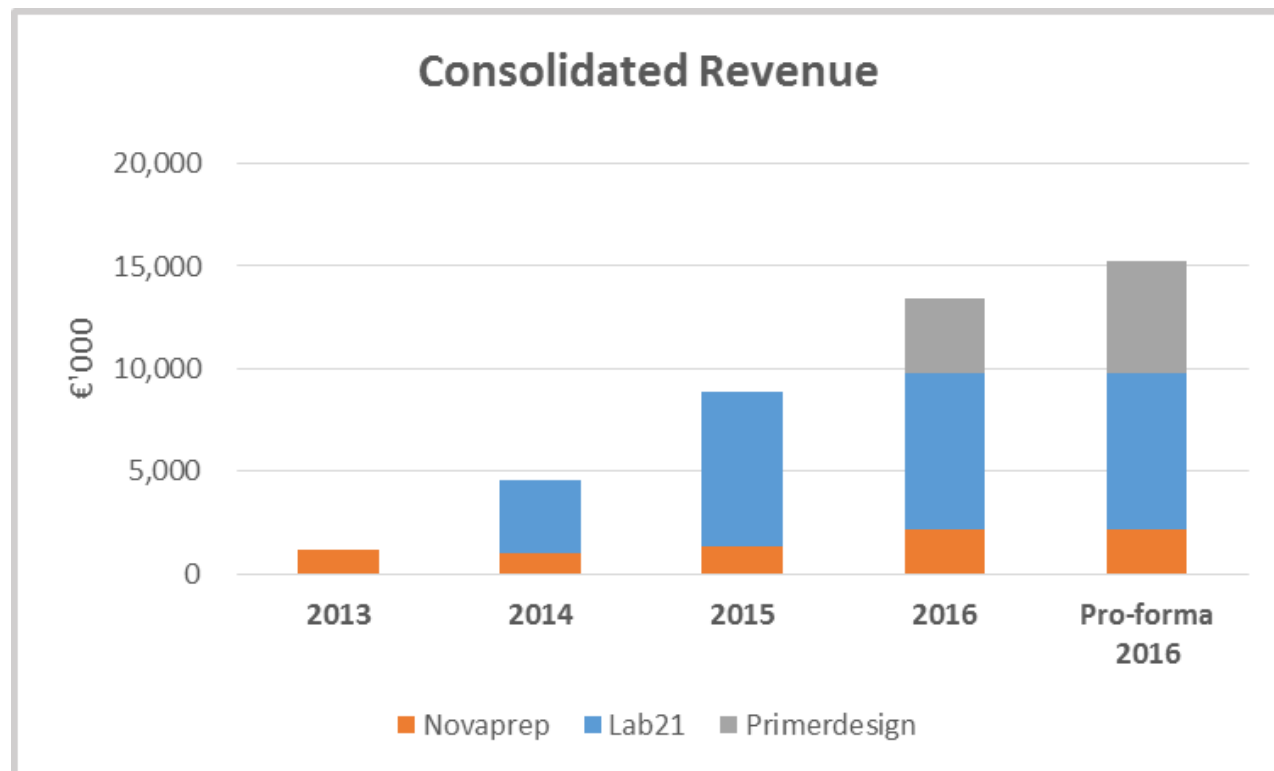
* Impairment of Lab21 goodwill calculated under IFRS based on recoverable amount. Lab21 was acquired with 100% equity and the fall in share price since June 2014 was a significant indicator of impairment.

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Consolidated statement of financial position

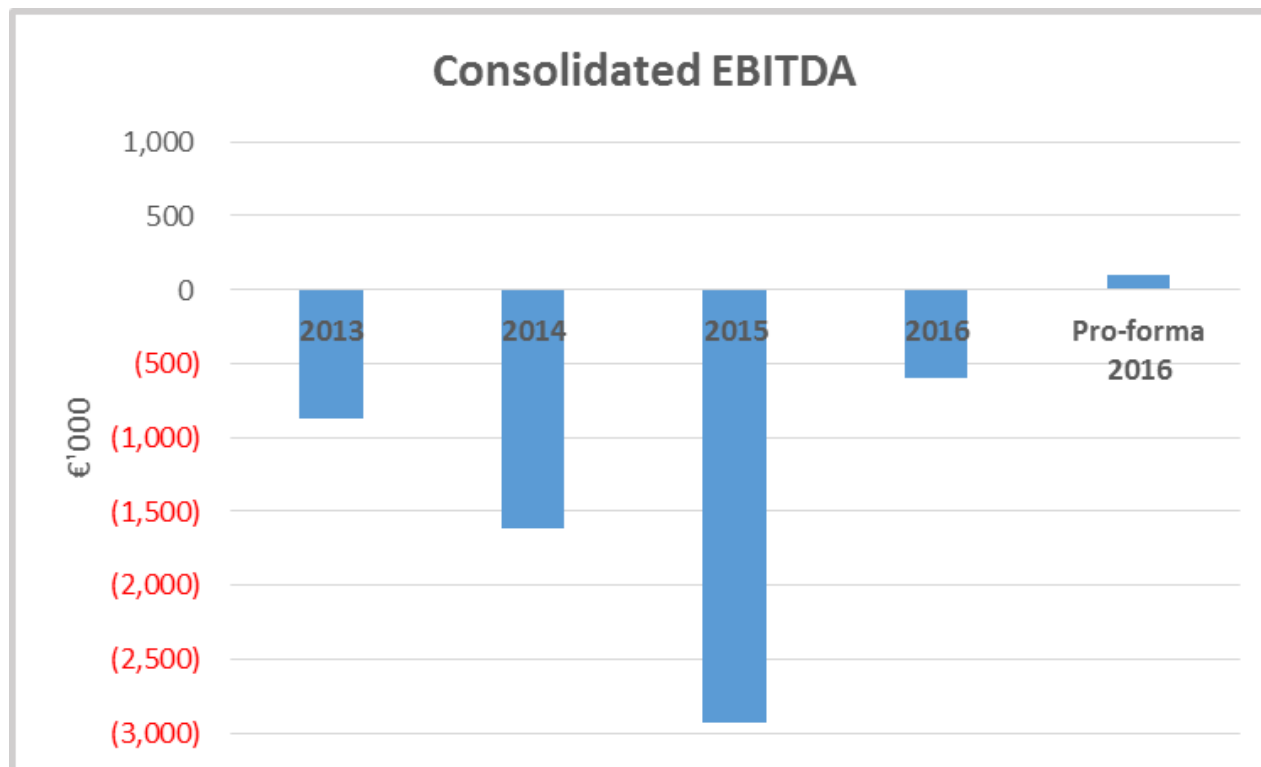
€'000	2015	2014	2013	€'000	2015	2014	2013
Goodwill	9,256	19,042	-	Share capital and premium	32,861	28,602	6,602
Other non-current assets	2,241	1,709	1,221	Retained earnings	(22,337)	(8,329)	(4,352)
Total non-current assets	11,497	20,751	1,221	Total equity	10,524	20,273	2,250
Inventories	1,488	1,335	247	Borrowings (> 1 yr)	2,103	588	57
Other current assets	2,430	2,224	659	Other provisions and long-term liabilities	143	555	17
Cash and cash equivalents	1,691	2,337	1,000	Total non-current liabilities	2,246	1,143	74
Total current assets	5,609	5,896	1,906	Borrowings (< 1 yr)	1,270	433	152
				Trade and other payables	2,968	4,381	431
				Other provisions and short-term liabilities	97	417	220
				Total non-current liabilities	4,335	5,231	803
TOTAL ASSETS	17,106	26,647	3,127	TOTAL EQUITY AND LIABILITIES	17,106	26,647	3,127

Historical and indicative 2016 revenue



Group revenue growth +200% p.a. over 3 years (2013 – 2016 pro forma)
Primerdesign revenues +15% vs FY15
(3 year CAGR to FY15 +30%)

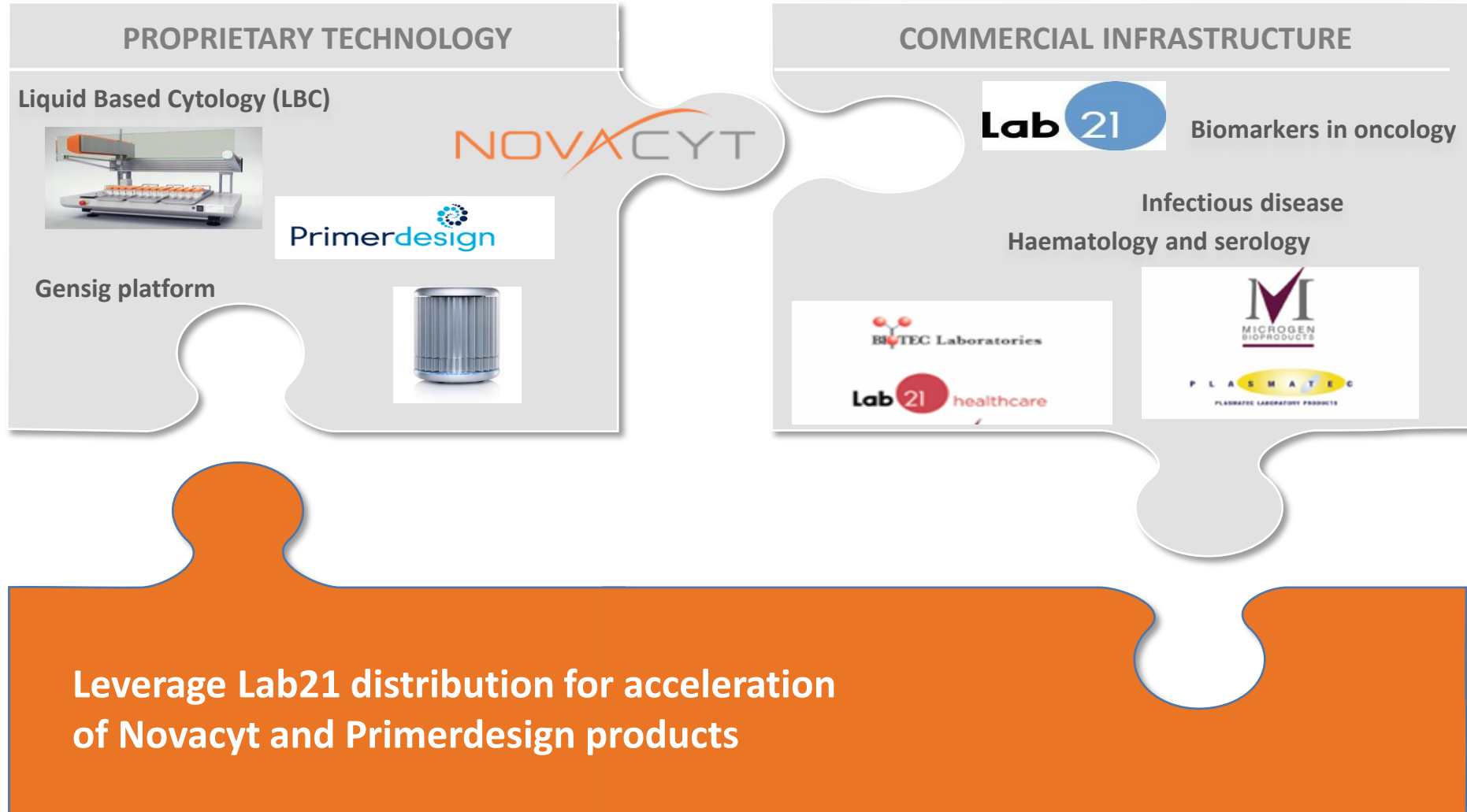
Historical and indicative 2016 EBITDA



Significant commercial and regulatory investment in 2015
Breakeven point at €15.0 – 15.5m revenue
Positive run rate anticipated in H2 16 and c. 10% GM increase

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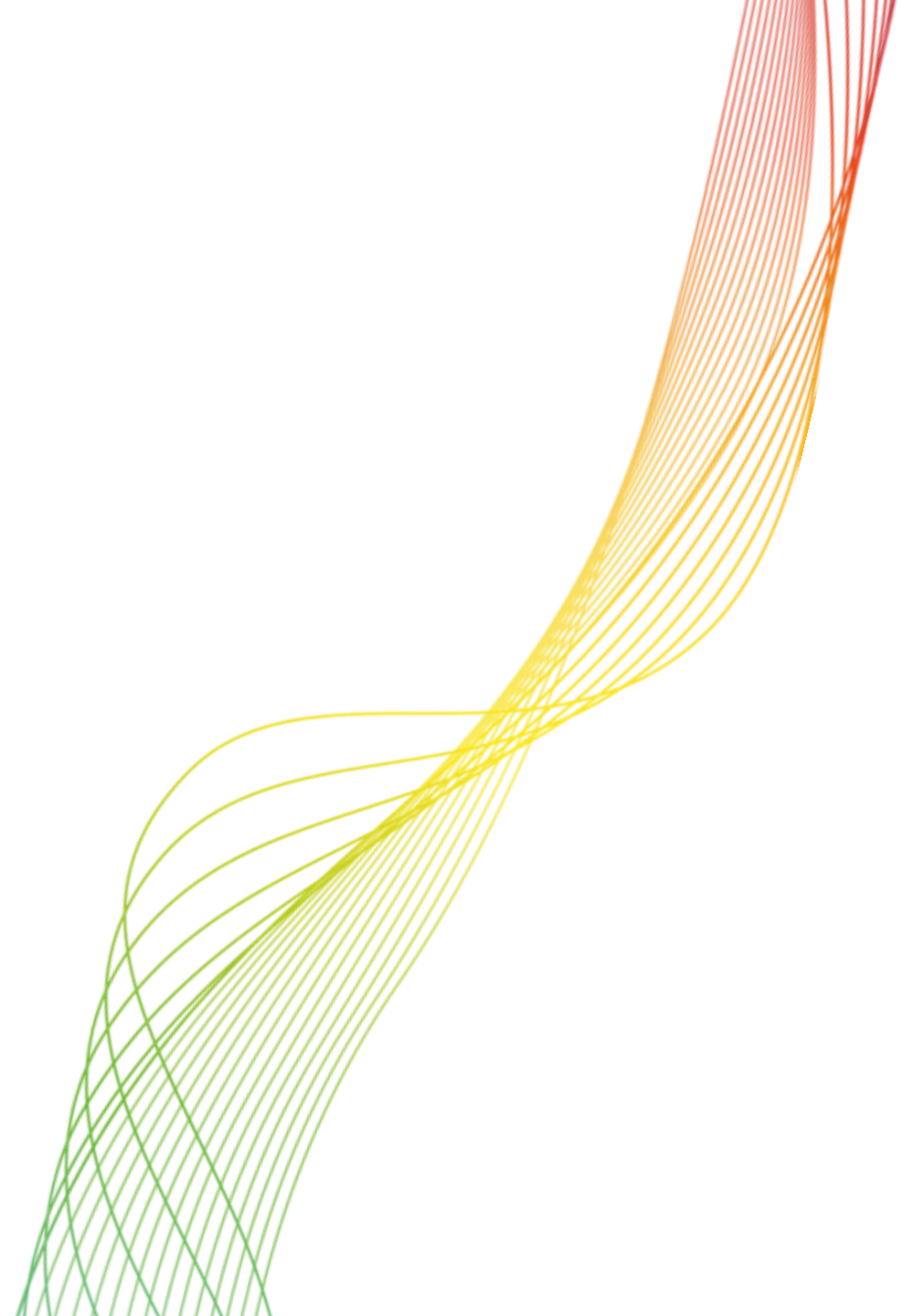
Integrated diagnostics business with strong growth prospects



Outlook

- Good start to 2016
 - Novaprep® sales 33% ahead of the same period last year
 - Lab21 in line with management expectations
- Significantly enhanced product development pipeline underpinning our ambitious growth expectations. Optimistic at the enlarged Group's prospects
- KPI/Integration targets set for management:
 - Consolidated revenue growth of approximately 30%
 - Significantly improved gross margin of 55% or higher
 - Significantly improved EBITDA to approach a break-even run-rate

Thank you Q&A



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