

**NOVACYT**

Public limited company under French law  
13 avenue Morane Saulnier  
78140 Vélizy-Villacoublay

---

**'Rapport de Gestion'**  
**Management report on the financial statements**  
**for the year ended 31 December 2018**

**NOVACYT**

Public limited company under French law (*société anonyme*) with capital of 2,510,956.06 euros  
Registered office: 13 avenue Morane Saulnier – 78140 Velizy-Villacoublay  
Versailles Trade and Companies Register 491,062,527

(hereinafter “the Company” or “Novacyt”)

---

**MANAGEMENT REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

---

To the shareholders,

We hereby present to you the management report on the activities of Novacyt (hereinafter referred to as “**the Company**”) and its subsidiaries during the financial year beginning on 1 January 2018 and ending on 31 December 2018 in accordance with the provisions of the French Commercial Code.

**1. REVIEW OF THE ANNUAL AND GROUP CONSOLIDATED ACCOUNTS**

The annual accounts and consolidated accounts for the year ended 31 December 2018, which we submit to your approval, have been prepared in accordance with the rules of presentation and valuation methods provided for in the current regulations.

**1.1 Annual Social Accounts****• Operating Income:**

For the year ended 31 December 2018:

- Net turnover amounted to €1,422,706
- Total operating revenues amounted to €1,498,740
- Operating expenses for the year amounted to €5,961,068
- The operating result therefore is a Profit/loss of €-4,462,327
- Salaries and wages amounts to €427,188
- The amount of social security charges amounts to €159,313

**• Financial result:**

- The financial result for the year 2018 is €-1,504,247

**• Exceptional result:**

- The exceptional result for the 2018 financial year is €-31,027

**• Net accounting income:**

- The year ended December 31, 2018, therefore, was a net accounting loss of €-5,906,468

**• Total balance sheet:**

- At December 31, 2018, the company's balance sheet total amounted to €30,873,918

- **Proposed appropriation of the result:**
- We propose you to approve the annual accounts (balance sheet, income statement and schedule) as presented to you and to allocate the net accounting loss for the year amounting to €5,906,468, as follows:
- the debtor "Retained Earning" account, for an amount of €5,906,468.
- Therefore, the balance of the "Retained Earnings" account, will be debtor for an amount of €40,650,961.

## 1.2 Annual Group Consolidated Accounts

- **Consolidated Operating Income:**

For the year ended 31 December 2018:

- Net consolidated turnover amounted to €13,721,000
- Total consolidated operating revenues amounted to €13,721,000
- Consolidated operating expenses for the year amounted to €15,106,000
- The consolidated operating result therefore is a Profit/loss of €-1,385,000
- **Financial consolidated result:**
- The consolidated financial result for the year 2018 is €-694,000
- **Net consolidated accounting income:**
- The year ended December 31, 2018, therefore, was a consolidated net accounting loss of €4,738,000
- **Total consolidated balance sheet:**
- At December 31, 2018, the company's consolidated balance sheet total amounted to €32,513,000
- **Approval of consolidated results:**

We suggest that you approve the consolidated financial statements (balance sheet, income statement and schedule) as presented to you.

## 2. ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES AND BUSINESS TRENDS DURING THE YEAR ENDED 31 DECEMBER 2018

### 2.1 Overview of Novacyt's activity

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.

### 2.2 Situation and activity / Analysis of business trends

- Decision taken during the year to exit the NOVAPrep® business unit to allow the Group to focus on diagnostic reagent product development, commercialisation, contract design and manufacturing

- Delivered full year adjusted EBITDA for FY18 of €0.6 million with EBITDA of €0.9 million in 2017 (restated), demonstrating the underlying financial strength of the continuing operations of Novacyt
  - The reduction in adjusted EBITDA reflects investment in commercial and manufacturing capacity, including two new manufacturing facilities, as well as the additional costs of being dual listed on Euronext and AIM markets
- Group consolidated revenue increased by 8% (9% at CER) to €13.7m (£12.1m) compared with €12.7m (£11.2m) in 2017
  - Sales momentum continued in H2 2018, up 7% year-on-year to €7.3m and up 13% on H1 2018
- Group gross margin increased to 63% in 2018 from 62% in 2017 driven by product mix, sales volumes and cost of sales improvements within Primerdesign
  - Primerdesign's gross margin grew 3% year-on-year to 84%
- Following the successful acquisition in late June 2018 of the Infectious Diseases business from Omega Diagnostics Ltd, Novacyt has almost tripled the Omega ID business adjusted EBITDA margin to 28% post acquisition
- Novacyt ended the year with €1.1m (£1.0m) in cash
- On 23 April 2019, Novacyt announced the completion of a €5.0m convertible bond financing facility

### 2.3 Results, progress achieved and difficulties encountered

In 2018, Novacyt delivered material financial and operational progress as it focused on integrating the Omega Infectious Disease business acquired in June 2018 and undertook a strategic review resulting in the decision to sell the NOVAprep® business unit. Novacyt will now focus on its profitable core reagent manufacturing units of Primerdesign and Lab21. This core continuing business of Novacyt delivered sales growth of 9% at CER, improved gross margin 63% (FY17: 62%) and EBITDA profitability for both FY2017 and FY2018, with the NOVAprep® business unit eliminated from the operating result under the provisions of IFRS 5.

#### Highlights

- Primerdesign sales increased to €6.2m (£5.5m), up 2% (3% CER) in 2018
  - Revenue growth in the core molecular business was strong at over €0.5m (£0.5m) or 11%, which was offset by reduced business to business ("B2B") sales as a result of a large one-off sale to China in late 2017 of over \$1m (£0.9m)
- Lab21 revenues were €7.5m (£6.6m), up 14% on 2017 at CER, mainly reflecting the acquisition of the Infectious Diseases business from Omega Diagnostics Plc. Lab21 has €1.0m of confirmed tender orders received at the end of 2018 which will now be completed in 2019.
- On 2 August 2018 the Board announced that it had placed the NOVAprep® business under a strategic review. Subsequently, on 11 December 2018 the Board announced the decision to sell the NOVAprep® business unit due the material investment required in this early stage business at odds with the other more mature businesses within the Group. The planned divestment for the NOVAprep® business unit continues to make progress and a further update is expected later in the quarter or as soon as a binding position has been established with a buyer
- As part of the strategic review of Novacyt it was also decided to sell the Clinical Lab business based in Cambridge as it is now considered non-core. Solid progress is being made in the sale of this business and management expect to update the market by the end of Q2 2019
- Primerdesign completed a substantial q16 molecular instrument order, expanding the Group's clinical diagnostic reach in the fast-growing Chinese market
- New molecular CE Mark genesig® BKV Kit and genesig® EBV Kit assays were developed expanding the Group's clinical diagnostic menu
- Exclusive supply agreement signed by Primerdesign with US-based full-service diagnostic laboratory Genesis Diagnostics worth a minimum \$3.0m over five years

- Recently completed the rapid development of an African Swine Flu assay to help address the current swine flu food supply-chain limitations in China, Vietnam and certain European countries

#### Vatel financing (June 2018)

Novacyt entered into a €4.0 million unsecured debt facility from Vatel in June 2018, in the form of a Convertible Bond.

The Convertible Bond was issued in a single tranche with a maturity of 3 years and an annual interest rate of 7.4% and a non-conversion premium paid in arrears of 0.1% convertible, only in the event of non-compliance by the Company with its repayment obligations. Only then can the conversion be triggered at the discretion of the holder of the bonds (the "Conversion"). Conversion of the Facility into ordinary shares would be at a fixed conversion price of €0.70 per ordinary share.

There have been no changes to the share capital of Novacyt in 2018.

#### **2.4 Foreseeable change in the Company's position and future prospects**

In 2019, the Group will continue the efforts made in 2018 to bolster organic revenue growth and assess the growing potential for additional acquisitions. The Group also hopes to report further progress in the development of its product portfolio for Primerdesign. Management accordingly remains confident in Novacyt's ability to continue growing. Novacyt is seeking to sell NOVAprep and the Clinical Lab unit of Lab21, and has received multiple expressions of interests in both divisions, which are being reviewed. As a result of the sale process, Novacyt will be reporting the financial results of NOVAprep separately as per IFRS 5, and thus in doing so will need to restate the 2017 Group consolidated financials.

#### **2.5 Business activity in the year ended 31 December 2018**

Amounts in €k	<b>Corporate &amp; Cytology</b>	<b>Corporate &amp; Diagnostics</b>	<b>Molecular testing</b>	<b>Total</b>
<b>Geographical area</b>				
Africa	-	715	285	1,000
Europe	-	3,304	2,811	6,115
Asia-Pacific	-	1,738	1,282	3,020
America	-	795	1,578	2,373
Middle East	-	951	262	1,213
<b>Revenue</b>	-	<b>7,502</b>	<b>6,218</b>	<b>13,721</b>

#### **2.6 Research and development activity**

##### **Developments in the field of Diagnostics:**

Lab21 Products (Lab21), has launched a new product for the diagnosis of infectious mononucleosis (IM), also known as glandular fever.

PathFlow™ Mononucleosis is a qualitative lateral flow immunoassay for the detection of IM antibodies in the blood. IM is frequently misdiagnosed as a bacterial infection, streptococcal pharyngitis, due to common clinical presentation of the diseases at onset. IM is, however, caused by the Epstein–Barr virus (EBV) and, as a virus, IM does not respond to antibiotic treatment. PathFlow™ Mononucleosis provides a rapid and effective differential diagnosis to patients with IM over streptococcal pharyngitis. PathFlow™ Mononucleosis also facilitates antibiotic stewardship by ensuring antibiotics are not offered to patients owing to a misdiagnosis and helping to address the global issue of antibiotic resistance.

The launch of PathFlow™ Mononucleosis is the first product in a series of high quality, lateral flow immunoassays, which will form part of Novacyt's growing catalogue of rapid infectious disease diagnostics and aid Lab21's position as a leader in microbial diagnostic kits. Branded under the name PathFlow™, these products will utilise rapid lateral flow technology, with a focus on patient pathways and improving clinical outcomes.

### **Developments in the field of Molecular tests:**

Primerdesign launched its next CE-Marked approved molecular products, the genesig® Real-Time PCR BK virus (BKV) Kit (CE) and genesig® Real-Time PCR Epstein-Barr Virus (EBV) Kit (CE). These clinical products follow the launch of a Zika assay in the second half of 2017 and are the first of an expanding menu of molecular diagnostic tests for monitoring post-transplantation and immunosuppressed patients.

The new molecular kits have been developed to provide quantitative detection of viral DNA extracted from blood plasma and urine (BKV kit), or blood plasma and whole blood (EBV kit) from immunocompromised patients. The kits have been designed to run using the Roche LightCycler 480 PCR instrument. Novacyt believes there are over 2,000 LightCycler instruments installed worldwide and the availability of these kits will mean clinical labs running these PCR instruments will now be able to benefit from running these assays. Quantification standards in the kits are calibrated against the First World Health Organization International Standards for Virus Nucleic Acid Amplification Techniques (NIBSC code 14/212), producing strong levels of sensitivity and specificity performance as well as reproducibility.

### **2.7 Polluting or dangerous activities**

None

### **2.8 Main risks and uncertainties facing the Company and management of financial risks**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the financial statements.

The going concern model covers the period up to and including April 2020. In making this assessment the Directors have considered the following elements:

- the working capital requirements of the business;
- a positive cash balance at 31 December 2017 of €1,132,000;
- the repayment of the current bond borrowings according to the agreed repayment schedules;
- earn out payments in respect of previous acquisitions
- draw down of funds from time to time from the €5,000,000 convertible bond facility including the initial €2,000,000 received upon completion.

Further bond issuances beyond the initial €2,000,000 upon signing are dependent on certain conditions, such as a cool down period, average daily volume and minimum share price prior to each draw down request. The Company anticipates being able to draw sufficient funds to support its working capital requirements, but as they are outside of the Company's direct control, complete certainty cannot be given and waivers may be used where necessary.

Additional capital receipts from the disposals of the Clinical labs and NOVAprep businesses and the potential strategic partnering of the Primerdesign animal health business have not been factored into the Group's cash flow forecast. Any such funds received would help reduce the need and mitigate the risk of further bond issuances.

Failure to meet the conditions within the convertible bond facility could place uncertainty on the going concern principle applied in preparing the financial statements insofar as the company may in this case not be able to repay its debts and dispose of its assets in the ordinary course of its business. The going concern principle applied for the period ended 31 December 2018 could in that case prove inappropriate.

The Group's main financial liabilities are loans, as well as trade and other payables. Their main purpose is to finance operating activities.

Loans, trade and other receivables, and cash and cash equivalents held by the Group are generated by operating activities.

- Currency risk

The Group has significant operations in the United Kingdom, where its main subsidiaries are located. Nevertheless, its funding is denominated primarily in euros.

- Credit risk

Credit risk is the risk of financial loss, following the failure by a third party to honour its commitment to repay a debt. The Group is exposed to credit risk due to its operating activities (mainly through trade receivables) and through deposits with banks.

The Group's exposure to credit risk is represented by the risk of counterparty default: maximum exposure is equal to the carrying amount of these instruments.

At this stage, it is not yet clear how Brexit will affect trading, corporate taxation, free movement of persons and regulatory aspects in the United Kingdom. The tax implications, depending on the outcome of ongoing negotiations between the European Union and the United Kingdom, are unknown at this stage. At the time of writing, Novacyt does not foresee any significant impact on the business. The Board of Directors continues to monitor developments in terms of impacts on market, operational, legal and financial risks, and will implement any corrective actions that may be necessary.

- Liquidity risk

Since its creation, the Group has financed its growth by successive capital increases, loans, grants and public aid for innovation, and the reimbursement of research tax credit receivables.

To overcome limits in its capacity to self-finance its growth, the Group is required to seek other sources of funding, notably through capital increases.

The Group may fail to obtain additional capital when it needs it, or such capital may not be available on acceptable financial terms for the Group.

The occurrence of one or more of these risks could have a material adverse effect on the Group's business, financial position, earnings, growth and prospects.

## **2.9 Significant events occurring between the reporting date and the date of this report**

Novacyt has entered into a Convertible Bonds with Warrants Funding Programme, for up to €5,000,000 (net of expenses). Under the terms of the Agreement, the Company will be able to access capital in seven tranches which oblige the Investment Managers to immediately subscribe for an initial tranche of €2,000,000, followed by six further tranches, each of an aggregate nominal value of €500,000 (together the "Tranches"), drawable at the Company's option subject to certain terms and conditions. The Company has immediately exercised its right to the initial tranche of funding giving rise to the subscription of €2,000,000 of convertible bonds with warrants by the Investment Managers. The remaining €3,000,000 of convertible bonds can be issued by the Company over the next 36 months following the closing of the Agreement.

### 3. REPORT ON CORPORATE GOVERNANCE

#### 3.1 List of offices

Pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code, we list below all the offices and functions exercised in any company by each of the Company's corporate officers during the financial year.

NAME	POSITION	STARTING DATE OF TERM	EXPIRY DATE OF TERM
SENIOR MANAGEMENT			
Graham MULLIS	Chief Executive Officer	13 June 2014	2020 General Meeting
BOARD OF DIRECTORS			
James WAKEFIELD	Chairman and member of the Board of Directors	13 June 2014	2020 General Meeting
Graham MULLIS	Member of the Board of Directors	13 June 2014	2020 General Meeting
Jean-Pierre CRINELLI	Member of the Board of Directors	29 May 2012	2018 General Meeting
Andrew HEATH	Member of the Board of Directors	29 June 2015	2018 General Meeting
Anthony DYER	Member of the Board of Directors	27 June 2017	2020 General Meeting
Juliet THOMPSON	Member of the Board of Directors	27 June 2017	2020 General Meeting
Ed SNAPE	Member of the Board of Directors	27 October 2014	2020 General Meeting

The offices and duties held and performed by corporate officers in other companies during the 2018 financial year were as follows:

- James Wakefield is also:
  - o Director of The Keyholding Company Limited;
  - o Director of Sparsholt Services Ltd;
  - o Director of Westbridge Fund Managers Limited;
  - o Director of Promedics Orthopaedics Limited;
  - o Director of Yorkmarsh Ltd;
  - o Director of Westbridge SME Fund GP Limited;
  - o Director of Westbridge SME Fund FPLP GP Limited;
  - o Director of Westbridge GP1 Limited;
  - o Director of Westbridge GP2 Limited;
  - o Director of Enterprise Fund (General Partner Wales) Ltd;
  - o Director of Lab21 Ltd;
  - o Director of DB Systems Holdings Ltd;
  - o Director of AM Healthcare Group Limited;
  - o Director of Westbridge (AJM) Nominees Limited;
- Graham Mullis is also:
  - o LLP designated member of Optivue LLP;
  - o Director of Chimera Homes Ltd;
  - o Director of MC8 Consultants Ltd;
  - o Director of Lab 21 Limited;
  - o Director of Lab 21 Healthcare;
  - o Director of Microgen Bioproducts;
  - o Director of Biotec Laboratories;
  - o Director of Primer Design Ltd;
  - o Director of Novacyt Asia Ltd;
  - o Director of Novacyt China Ltd;

- Jean-Pierre Crinelli is also:
  - o Chairman of Pathinvest;
- Andrew Heath is also:
  - o Deputy Chairman of Oxford Biomedica Plc;
- Ed Snape :
  - o None.
- Juliet Thompson is also:
  - o Director of Vectura Group Plc;
  - o Director of Nexstim Plc;
  - o Director of GI Dynamics Inc;
  - o Director of Scapa Group Plc;
- Anthony Dyer is also:
  - o Director of Primerdesign Ltd;
  - o Director of Biotec Laboratories Ltd;
  - o Director of Lab21 Healthcare Ltd;
  - o Director of Lab21 Ltd;
  - o Director of Microgen Bioproducts Ltd;
  - o Director of Novacyt Asia Ltd.

No Board members terms are up for renewal this year.

### 3.2 Agreements concluded between a significant officer or shareholder and a subsidiary

Pursuant to the provisions of paragraph 2 of Article L. 225-37-4, of the French Commercial Code, we confirm that no agreements were entered into, directly or by an intermediary, between the Chief Executive Officer, one of the executive directors, one of the directors or one of the shareholders owning a fraction of the voting rights greater than 10% and a subsidiary of which the Company holds, directly or indirectly, more than half of the capital, during the year ended December 2018.

### 3.3 Report on delegations of authority concerning capital increases and changes in share capital during the year ended 31 December 2018

#### 3.3.1 Report on delegations of authority concerning capital increases

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, we list below the current delegations of authority or powers granted by the General Meeting to the Board of Directors pursuant to the provisions of Articles L. 225-129-1 and L. 225-129-2 of the said Code:

DATE OF GENERAL MEETING	NATURE OF DELEGATION	DURATION OF DELEGATION	DATE AND TERMS OF USE BY THE BOARD OF DIRECTORS
Extraordinary General Meeting of 11 June 2018 (12th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares of the Company and/or securities giving access to the Company's capital,	18 months; terminated with the approval of the 1st resolution of the Extraordinary General Meeting of 5 December 2016	None

DATE OF GENERAL MEETING	NATURE OF DELEGATION	DURATION OF DELEGATION	DATE AND TERMS OF USE BY THE BOARD OF DIRECTORS
	with cancellation of shareholders' preferential subscription rights in favour of a category of person		
Extraordinary General Meeting of 11 June 2018 (13th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares of the Company and/or securities giving access to the Company's capital, with cancellation of shareholders' preferential subscription rights in favour of a category of person, as part of the TEPA package and in accordance with the provisions of Article L. 225-138 of the French Commercial Code	18 months; terminated with the approval of the 2nd resolution of the Extraordinary General Meeting of 5 December 2016	None
Extraordinary General Meeting of 11 June 2018 (14th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares of the Company and/or securities giving access to the Company's capital, with cancellation of shareholders' preferential subscription rights in favour of a category of person	26 months; terminated the delegation of authority granted under the 3rd resolution of the Extraordinary General Meeting of 22 February 2016	None

### 3.3.2 Change in capital during the year ended 31 December 2018

The share capital of the Company has not changed during 2018.

As of 31 December 2018, the share capital amounted to €2,510,956.06 and consisted of 37,664,341 shares with a par value of 1/15th of a euro each.

#### 4. EMPLOYEE SHAREHOLDINGS

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we inform you that no savings plan has been established for the Company's employees.

As of 31 December 2018, employees held 0% of the Company's capital.

#### 5. SUBSIDIARIES AND INVESTMENTS

### 5.1 Acquisition of significant holdings in companies having their head office in France or takeovers of such companies

In accordance with Article L. 233-6 of the French Commercial Code, we inform you that the Company did not acquire any new shareholdings in a company whose registered office is in the French Republic during the 2018 financial year.

### 5.2 Alienation of shares taken to regularise cross shareholdings

None

### 5.3 Breakdown of share capital and treasury shares

#### Breakdown of share capital

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received in application of Articles L. 233-7 and L. 233-12 of the said Code, we hereby disclose the identity of shareholders holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of voting rights at the General Meetings of the Company as of 31 December 2018:

NAME	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
<i>ABNAMRO</i>	4,152,175	11.0	11.0
<i>Legal &amp; General</i>	2,525,909	6.7	6.7
<i>Talence Selection PME</i>	2,388,302	6.3	6.3

Information on treasury shares:

In accordance with the provisions of paragraph 2 of Article L. 225-211 of the French Commercial Code, we hereby disclose share purchases:

- Intended to be attributed to employees as part of employee incentive plans: none;
- A liquidity agreement has been concluded with Invest Securities to facilitate the trading of our securities on Euronext Growth and to promote the liquidity of the Company's securities.

In 2018, the Company carried out the following transactions on its own shares:

- Number of shares held on 1 January 2018: 90,708;
- Purchases made during the financial year under the liquidity contract: 182,218;
- Average price of purchases: 0.584592 euros;
- Sales made during the financial year under the liquidity contract: 173,427;
- Average price of sales: 0.602416 euros
- Number of shares held as of 31 December 2018: 99,499.

## 6. Information about payment terms of suppliers and customers

In application of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby provide you with the mandatory information on the payment terms of our suppliers (in thousands of euros):

The figures below include VAT.

Information on payment terms	Not due	X < 30 days	X < 60 days	X > 60 days	Total

Trade payables as of 31 December 2017	194	305	170	31	699
Trade payables as of 31 December 2018	159	98	257	702	1,216

In application of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby provide you with the mandatory information on the payment terms of our customers (in thousands of euros):

The figures below include VAT.

Information on payment terms	Not due	X < 30 days	X < 60 days	X > 60 days	Total
Trade receivable as of 31 December 2017	36	41	215	307	600
Trade receivable as of 31 December 2018	105	104	50	50	309

## 7. Amount of dividends paid during the last three years

The Company has not paid any dividends in the last three years.

## 8. Transactions by senior managers on their shares

Pursuant to the provisions of Articles 223-22 A and 223-26 of the AMF General Regulation, we hereby disclose transactions carried out by senior managers and their relatives on the Company's shares during the financial year:

None

## 9. Table of results over the past five years

The table below sets out the results of the last five financial years required pursuant to paragraph 2 of Article R. 225-102 of the French Commercial Code.

COMPANY: NOVACYT SA		YEAR ENDED:	31 December 2018		
<b>RESULTS (AND OTHER CHARACTERISTIC ITEMS) OF THE COMPANY DURING THE LAST FIVE YEARS</b>					
NATURE OF INDICATIONS	2014	2015	2016	2017	2018
<i>End-of-year capital</i>					
. Share capital.....	418,048	479,281	1,161,134	2,510,956	2,510,956
. Number of ordinary shares in circulation.....	6,270,723	7,189,213	17,417,013	37,664,341	37,664,342
. Number of (non-voting) preference shares in circulation.....					
. Maximum number of future shares to be created.....					
. by conversion of bonds.....					
. by exercise of warrants.....					

<i>Operations and results of the year</i>					
. Revenue excluding VAT.....	1,006,345	1,238,952	1,466,480	1,896,430	1,422,706
. Income before tax, employee profit sharing and depreciation, amortisation and provisions.....	<1,715,630>	<2,933,361>	<4,541,034>	<4,528,852>	<4,333,568>
. Income tax.....	<170,203>	<148,268>	<208,365>	<123,486>	<91,134>
. Employee profit-sharing due for the year.....					
. Income after tax, employee profit sharing and depreciation, amortisation and provisions.....	<1,765,205>	<12,755,279>	<9,772,595>	<6,166,131>	<5,906,469>
. Result distributed for the year.....					
<i>Earnings per share</i>					
. Income after tax and employee profit sharing, but before depreciation, amortisation and provisions.....	<0.25>	<0.39>	<0.25>	<0.12>	<0.12>
. Income after tax, employee profit sharing and depreciation, amortisation and provisions.....	<0.28>	<1.77>	<0.56>	<0.27>	<0.16>
. Dividend paid on each share.....					
<i>Employees</i>					
. Average number of employees during the year.....	9	9	9	6	4
. Amount of payroll for the year.....	640,879	810,121	654,166	490,159	427,188
. Amount of employee benefits paid in the year (social security, social services).....	270,423	335,553	276,130	185,546	159,314

## 8.1 Consolidated results

TABLE OF CONSOLIDATED RESULTS FOR THE LAST 2 YEARS		
Amounts in € thousand	Restated	
	Year ended 31 December 2018	Year ended 31 December 2017
Revenue	13,721	12,749
Recurring operating profit/(loss)	-425	62
Total net profit/(loss)	-4,738	-5,442
Net profit/(loss) attributable to shareholders of the parent company	-4,742	-5,432
Share capital	2,511	2,511
Equity attributable to owners of the company	20,138	24,914
Borrowings	-5,374	-3,893
Net fixed assets	6,135	6,413
Total assets	32,513	34,024
Dividends	0	0
Earnings per share (in units)	-0.13	-0.24

**10. Loans due in less than 2 years granted by the Company to micro, small or mid-sized enterprises with which it has economic links justifying it**

In accordance with paragraph 3b, line 2 of Article L. 511-3 of the French Commercial Code, we list below the loans made by the Company and due in less than 2 years to micro, small or mid-sized enterprises with which it has economic links justifying it:

None.

**11. Special report on stock options and free shares**

To the shareholders,

This report is presented to you:

- Pursuant to the provisions of Article L. 225-184 of the French Commercial Code concerning transactions relating to stock options, and
- Pursuant to the provisions of Article L. 225-197-4 of the French Commercial Code concerning transactions relating to the granting of free shares.

The Board of Directors did not implement any stock option plans and did not grant any free shares during the year ended 31 December 2018.

**12. Office of the auditors**

Statutory auditors:

DELOITTE & ASSOCIÉS  
Represented by Benjamin Haziza  
185 C Avenue Charles de Gaulle – 92200 Neuilly-sur-Seine

Renewed at the General Meeting of 11 June 2018 for a period of 6 years, i.e. until the Extraordinary General Meeting called in 2024 to approve the financial statements for the year ended closed on 31 December 2023.

Alternate auditors:

BEAS  
195 Avenue Charles de Gaulle – 92200 Neuilly-sur-Seine

Renewed at the General Meeting of 11 June 2018 for a period of 6 years, i.e. until the Extraordinary General Meeting called in 2024 to approve the financial statements for the year ended closed on 31 December 2023.

It is proposed that you renew the term of office of the statutory and alternate auditors.

**13. Agreements concluded between a senior officer or a significant shareholder and the Company or one of its subsidiaries**

In accordance with Article L. 225-38 of the French Commercial Code, we list below the regulated agreements entered into by the Company during the year ended 31 December 2018:

Novacyt entered into a €4.0 million unsecured debt facility from Vatel in June 2018, in the form of a Convertible Bond.

The Convertible Bond was issued in a single tranche with a maturity of 3 years and an annual interest rate of 7.4% and a non-conversion premium paid in arrears of 0.1% convertible, only in the event of non-compliance by the Company with its repayment obligations. Only then can the conversion be triggered at the discretion of the holder of the bonds (the "Conversion"). Conversion of the Facility into ordinary shares would be at a fixed conversion price of €0.70 per ordinary share

**14. Miscellaneous information**

In accordance with the provisions of Articles 39-4 and 223 *quater* of the French General Tax Code, we inform you that the accounts of the Company for the past financial year do contain expenses that are deductible from the taxable result. They are immaterial but are listed below:

Fines €450  
Tax on company vehicles €2,753

Pursuant to the provisions of Article L. 232-6 of the French Commercial Code, we inform you that no changes have been made to the presentation of the annual financial statements or the valuation methods used in relation to the previous year.

---

*The Board of Directors*