**NOVACYT**

**Limited company with registered capital of 4,708,416.54 euros**
**Registered office: 131 Boulevard Carnot – 78110 Le Vésinet**
**491 062 527 Versailles Trade and Companies Register**

(hereinafter the "**Company**" or "**Novacyt**")

**ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES AND BUSINESS TRENDS DURING THE YEAR ENDED 31 DECEMBER 2024**

**COMBINED GENERAL MEETING DATED 19 JUNE 2025**

## 1.1 Overview of Novacyt's activity

Novacyt is an international molecular diagnostics company providing a broad portfolio of integrated technologies and services, primarily focused on the delivery of genomic medicine. The Company develops, manufactures, and commercialises a range of molecular assays and instrumentation to deliver workflows and services that enable seamless end-to-end solutions from sample to result across multiple sectors including human health, animal health and environmental. Its registered office is located at 131 Boulevard Carnot – 78110 Le Vésinet.

The following companies make up the Novacyt Group as at 31 December 2024:

- IT-IS International Ltd (Discontinued)
- Lab21 Healthcare Ltd (Discontinued)
- Novacyt US Inc
- Novacyt Inc
- Microgen Bioproducts Ltd (Discontinued)
- Novacyt SA
- Novacyt Asia Ltd
- Novacyt UK Holdings Ltd
- Primer Design Ltd
- Yourgene Health Ltd
- Yourgene Health UK Ltd
- Yourgene Genomic Services Ltd
- Yourgene Health SASU
- Yourgene Health Inc
- Yourgene Health GmbH
- Yourgene Health Canada Holdings Ltd
- Yourgene Health Canada Investments Ltd
- Yourgene Health Canada Inc
- Yourgene Health (Singapore) Pte. Ltd
- Elucigene Ltd
- Delta Diagnostics Ltd (Discontinued)

## 1.2 Situation and activity / Analysis of business trends

- Group statutory revenue for FY2024 was £19.6m, in line with guidance, representing a YoY growth of 85%, driven by the acquisition of Yourgene Health ("Yourgene") (FY2023*: £10.6m).

- Yourgene delivered solid growth in both the clinical and instrumentation segments, including:
  - Reproductive Health up 26% YoY on a proforma basis,
  - Ranger ® Technology ("Ranger") consumables up 13% YoY on a proforma basis.
- Primer Design was broadly flat YoY (excluding COVID sales), delivering sales of £4.3m in FY2024
- Group gross profit totalled £32.1m (163%) in FY2024 (FY2023*: £3.5m (33%)). The inflated gross profit was driven by the reversal of the £19.8m product warranty provision following the settlement with the DHSC. Removing the impact of this one-time entry, the underlying gross profit grew to £12.3m or 63%.
- Group EBITDA loss in FY2024 totalled £9.1m before exceptional items (FY2023*: £11.8m loss)
- Loss after tax increased to £41.8m in FY2024 (FY2023: £28.3m loss), predominantly driven by an increase in exceptional charges.
- A key benefit of the strategic Yourgene acquisition was £5.0m of estimated cost synergies that would be delivered by the end of year three. Management have been able to successfully deliver these within 18 months of the acquisition.
- The Group remains on track to deliver an incremental £3.0m of annual EBITDA improvements through the various site consolidation activities (IT-IS International closure, Canadian manufacturing relocation and Primer Design site relocation) which are planned to be concluded by the end of 2025.
- Cash position at 31 December 2024 was £30.5m (2023: £44.1m), and the Group remains debt free.

**excludes any Yourgene revenue pre-acquisition (8 September 2023) and removes IT-IS International revenue as per IFRS 5*

### 1.3 Results, progress achieved and difficulties encountered

**Overview**

2024 was a year of transition for Novacyt, as we continued to integrate Yourgene into the wider Group and began working as one unified global diagnostics business. Our focus in 2024 was to reduce our cost base and to consolidate and rationalise our product and services offering, and these programmes are underway and on track to deliver the expected savings. We also saw encouraging growth in key areas of our portfolio, and we believe we now have a foundation from which we can deliver long-term, sustainable value for shareholders.

**Operational highlights**

- Settled dispute with the DHSC and successfully reclaimed £12.2m in VAT from HMRC.
- Received accreditation under the new EU requirements of the In Vitro Diagnostic Regulation (“IVDR”) for the Yourgene QST*R Base assay, as well as for Yourgene Cystic Fibrosis Base, which is widely used for newborn screening.
- Launched real-time PCR workflow for rapid onsite detection of norovirus in oysters.
- Supported Colombian customer in establishing a Non-Invasive Prenatal Testing (“NIPT”) service laboratory in Colombia, which became operational in October 2024.
- Completed disposal of Taiwanese laboratory business.
- Relocated all manufacturing to the Group’s Manchester facility, using existing capacity to establish a centre of operational excellence. Consolidation project is expected to deliver c. £3m of annual EBITDA improvements, in addition to £5m of acquisition synergy cost savings from the Yourgene acquisition. This included the closure of IT-IS, two site moves and the discontinuation of various real-time PCR instruments
- The Group has chosen to re-invest some of its cost savings into R&D to accelerate the launch of new products, with an additional c. £2m being invested in 2025.
- Lyn Rees appointed Chief Executive Officer following a six-year tenure as CEO of Yourgene Health plc (“Yourgene”).
- Steve Gibson appointed Chief Financial Officer, and joined the Board along with Dr Jo Mason, Chief Scientific Officer.

- Dr John Brown, CBE, appointed Chairman of the Board, and Ian Gilham appointed Non-Executive Director.

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

The Group expects its losses to reduce going forward.

### 1.5 Business activity in the year ended 31 December 2024

| Amounts in £'000 | Primer Design | Yourgene Health | Total |
|---|---|---|---|
| **Geographical area** | | | |
| United Kingdom | 1,102 | 3,326 | 4,428 |
| France | 333 | 2,214 | 2,547 |
| Europe (excluding UK and France) | 699 | 2,879 | 3,578 |
| America | 772 | 1,906 | 2,678 |
| Asia-Pacific | 851 | 4,269 | 5,120 |
| Middle East | 235 | 523 | 758 |
| Africa | 354 | 167 | 521 |
| Total revenue | **4,346** | **15,284** | **19,630** |

### 1.6 Research and development activity

**Portfolio update**

#### 1) Clinical

The Clinical business, predominantly Yourgene Health branded, is focused across three key strategic pillars: Reproductive Health, Precision Medicine and Infectious Diseases, which each represent large and growing addressable markets.

We have made significant progress during the year and post-period end in progressing our clinical product portfolio through the new EU requirements of the In Vitro Diagnostic Regulation ("IVDR"). We now have three clinical products that are accredited under IVDR; 1) the Yourgene® Cystic Fibrosis Base assay, 2) a quantitative fluorescence PCR (QF-PCR) test used for newborn screening as well as carrier screening in adults during family planning, which received accreditation in October 2024, and 3) the QST*R Base Rapid Aneuploidy Analysis assay in February 2025. Our regulatory team will continue to work to progress our key products through the IVDR process to ensure that they can be used in the clinical setting.

*Reproductive Health*

Over 2024, the Reproductive Health business grew by 26% on a proforma basis, largely driven by the growth in the Group's cystic fibrosis portfolio in Australia, following the introduction of a new nationwide reimbursement pathway, enabling all eligible Australians to receive cystic fibrosis screening prior to, or early in, pregnancy.

We have continued to strengthen our competitive position in the NIPT market with a series of upgrades to the IONA Nx NIPT workflow, which now has the capability to run twice the samples in one run than previously possible. In October 2024, we also held our IONA Nx NIPT User Meeting in Paris which provided valuable customer insights to enable the development of future NIPT roadmaps. We supported several of our new NIPT laboratory customers with educational launch events to drive clinical demand in their regions. We were proud to see our first local installed NIPT service laboratory in Colombia go live in October 2024. In addition, we have new NIPT install lab customer in

Kazakhstan, the Presidential Clinic who hosted a prestigious launch event for clinicians, and delegates from the Ministry of Health, in November 2024.

*Precision Medicine*

During July 2024, the Association for Molecular Pathology (AMP) published recommendations around the clinical implementation of pharmacogenomic dihydropyrimidine dehydrogenase ("DPYD") genotyping assays, including guidance on which mutation to screen for. Our R&D team are currently developing an updated version of our DPYD assay to ensure we meet these new recommendations, and we have partnered with key opinion leaders around the world to ensure that the next version of the product meets the needs of the international market.

In November 2024, the Royal College of Pathologists in Australia (RCPA) announced the need for DPYD testing to be introduced nationally and reimbursed. Each year, over 17,000 Australians undergo this treatment and around 30% of these patients develop grade 3-5 toxicity. Approximately 8% may avoid serious toxicity through DPYD genotyping, and we are encouraged by this recommendation by the RCPA that we believe could help many patients avoid potentially life-threatening side effects arising from fluoropyrimidine-based chemotherapy drugs.

*Infectious diseases*

The genesig™ Real-time PCR SARS-CoV-2 Winterplex had steady customer uptake over the winter season in the UK, but management has decided to keep the assay as an RUO assay rather than progressing through IVDR.

*Genomic services*

Yourgene Genomic Services ("YGS") is now only located in Manchester, UK following the disposal of the Taiwan service laboratory. The business is equally split across research services for pharma, CRO and academia customers, providing them with DNA extractions, whole genome sequencing, exome sequencing, microarray and biobanking services.

The NIPT service expanded its offering with the poster-period end launch in February 2025 of the IONA Care +service, providing expectant parents with a broader clinical menu including clinically relevant microdeletions. The service lab team will launch a pan-cancer panel treatment selection test aimed at clinical laboratories and clinical research centres in the coming months.

**2) Instrumentation**

Ranger® Technology ("Ranger"), the Group's automated DNA sample preparation and target enrichment technology continues to be a focus and a key growth driver for the Group. The platform enables lab customers to see improved performance in DNA sequencing workflows across multiple applications including NIPT, infectious disease testing, liquid biopsy, gene synthesis and long read sequencing. The Group has a range of Ranger platforms serving different customer segments and different sample throughputs, including the LightBench, Yourgene® QS250 (embedded in our NIPT solutions) and NIMBUS Select.

The Group's R&D team have been working hard on a new Ranger platform, set to be launched later this year, that will be enable two workflows in one instrument. Providing both fragment analysis and size selection, it will offer a unique value proposition to long read sequencing research labs. The instrument is currently with three customers sites finalising the beta testing. The team are working on the Go-to-Market plans for summer 2025.

Despite a cautious instrumentation purchasing environment during the year, we also saw healthy growth in Ranger consumables sales of 13% YoY, underlining the strength and utility of our Ranger Technology.

In October 2024, we made the decision to close down our IT-IS International Limited subsidiary, a real-time PCR instrument manufacturer, which has improved the Group's EBITDA position by £1.0m annually. The MyGo PCR product range has since been discontinued due to low demand in a saturated marketplace, but we continue to support our customers with existing instruments in the field with our Technical Support team. In addition, we still have existing Original Equipment Manufacturer ("OEM") partnerships for real-time PCR instruments which we maintain and support.

### 3) Research Use Only

Primer Design has continued to provide high quality research assays to the life sciences industry worldwide focusing on applications in human health, animal health, food, water and agriculture sectors. In June 2024, the Group launched a real-time PCR workflow for rapid onsite detection of Norovirus in oysters, addressing an unmet testing need within the oyster farming community, which has seen steady adoption. In December 2024, we launched an mpox clade differentiation assay for monitoring and surveillance of the mpox pandemic which has been well received by our NGO customer base.

In November 2024, the Group expanded its veterinary and animal health portfolio with the addition of two companion animal multiplex assays for the rapid, accurate detection of six gastrointestinal disease-causing pathogens in cats and dogs. The team launched a new Primer Design website in February 2024 and are currently working on an e-commerce shop for life sciences customers to place orders online, expanding the Group's reach and supporting distributors with a focused sales and marketing portal.

### 1.7 Polluting or dangerous activities

None

### 1.8 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 Group 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 after having taken into account the available information they have for the future, and especially the cash forecast prepared for the next 12 months.

In preparing this cash forecast, the Directors have considered the following assumptions:

- A positive cash balance at 31 December 2024 of £30,453,000;
- The business plan for the next 12 months;
- The working capital requirements of the business;
- No additional external funding has been forecast.

As such the forecast prepared by the Group shows that it is able to cover its cash needs during the financial year 2025 up until April 2026.

As at 31 December 2024, the Group's main financial liabilities are trade and other payables.

Trade and other receivables, 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. The Group is mainly exposed to the Euro and US Dollar currencies as the Company now reports in Great British Pounds, which is its main functional currency.

- 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.

The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers' risk levels. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group uses debt collection agencies and government backed schemes to collect difficult aged debts as a last resort.

- Liquidity risk

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

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

**Subsequent events**

There are no material subsequent events to report.

### 1.10 Existing branches

Pursuant to the provisions of Article L. 232-1 of the French Commercial Code, we inform you that there are no branches of the Company during the 2023 financial year.

### 1.11 Sureties, endorsements and guarantees and securities granted by the Company

Pursuant to Article L.232.-1 of the French Commercial Code, we hereby inform you that the Company has not granted any sureties, endorsements or guarantees during the 2024 financial year.