Novacyt S.A.

Société anonyme

131 BOULEVARD CARNOT

78110 LE VESINET

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Alberis Audit
27, avenue des Essarts
95800 Cergy
S.A.S. au capital de 1 000 €
888 427 424 RCS Pontoise
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de 2 201 424 €
572 028 041 RCS Nanterre
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

Novacyt S.A.

Société anonyme

131 BOULEVARD CARNOT

78110 LE VESINET

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2024

To the Shareholders' meeting of Novacyt S.A.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Novacyt S.A. for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independance

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2024 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill

Goodwill was subject to impairment tests according to the procedures described in the "Business combinations and measurement of goodwill" note to the consolidated financial statements. We reviewed the procedures used to implement these tests as well as the cash flow forecasts and assumptions used for this purpose, and we verified that the notes "Measurement of goodwill", "Impairment testing" and Note 16 "Goodwill" provided appropriate disclosures.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific vérifications required by law and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsabilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Cergy and Paris-La Défense, 9 May 2025

The Statutory Auditors

French original signed by

Alberis Audit	Deloitte & Associés
Guillaume TURCHI	Benoit PIMONT

Consolidated income statement for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (*)
Continuing Operations			
Revenue	6	19,630	10,621
Cost of sales	8	12,444	-7,130
Gross profit		**32,074**	**3,491**
Sales, marketing and distribution expenses	9	-5,493	-3,593
Research and development expenses	10	-2,767	-2,850
General and administrative expenses	11	-40,239	-12,709
Governmental subsidies		-	154
Operating loss before other operating income/expense		**-16,425**	**-15,507**
Other operating income	12	128	31
Other operating expenses	12	-21,046	-9,973
Operating loss after other operating income/expense		**-37,343**	**-25,449**
Financial income	13	3,034	3,421
Financial expense	13	-5,121	-2,436
Loss before tax		**-39,430**	**-24,464**
Tax income	14	732	353
Loss after tax from continuing operations		**-38,698**	**-24,111**
Loss from discontinued operations	37	-3,060	-4,181
Loss after tax attributable to owners of the Company (**)		**-41,758**	**-28,292**
Loss per share (£)	15	-0.59	-0.40
Diluted loss per share (£)	15	-0.59	-0.40
Loss per share from continuing operations (£)	15	-0.55	-0.34
Diluted loss per share from continuing operations (£)	15	-0.55	-0.34
Loss per share from discontinued operations (£)	15	-0.04	-0.06
Diluted loss per share from discontinued operations (£)	15	-0.04	-0.06

* The 2023 consolidated income statement has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity on a single line 'Loss from discontinued operations'.

** There are no non-controlling interests.

Consolidated statement of comprehensive income for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (*)
Loss for the period recognised in the income statement		**-41,758**	**-28,292**
Items that may be subsequently reclassified to profit or loss:			
Translation reserves	34	1,873	363
Total comprehensive loss		**-39,885**	**-27,929**
Comprehensive loss attributable to owners of the Company (**) from:			
Continuing operations		-36,825	-23,748
Discontinued operations		-3,060	-4,181

*The 2023 consolidated statement of comprehensive income has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity on a single line 'Loss from discontinued operations'.

**There are no non-controlling interests.

Statement of financial position as of 31 December 2024 and 31 December 2023

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Goodwill	16	2,669	21,446
Other intangible assets	17	17,575	10,232
Property, plant and equipment	18	2,407	4,183
Right-of-use assets	19	8,294	11,036
Non-current financial assets		25	57
Deferred tax assets	20	286	413
Total non-current assets		**31,256**	**47,367**
Inventories and work in progress	21	2,269	3,022
Trade and other receivables	22	4,717	36,034
Tax receivables	28	477	728
Prepayments and short-term deposits	23	1,452	2,601
Investments short-term		8	9
Cash and cash equivalents	24	30,453	44,054
Total current assets		**39,376**	**86,448**
Total assets		**70,632**	**133,815**
Lease liabilities short-term	25	1,257	1,209
Contingent consideration short-term	27	-	193
Provisions short-term	29	748	19,988
Trade and other liabilities	30	3,767	7,183
Tax liabilities		47	65
Other current liabilities	31	401	927
Total current liabilities		**6,220**	**29,565**
Net current assets		**33,156**	**56,883**
Lease liabilities long-term	25	10,621	12,495
Contingent consideration long-term	27	-	722
Provisions long-term	29	1,466	1,547
Deferred tax liabilities	20	4,445	2,241
Other long-term liabilities		-	3
Total non-current liabilities		**16,532**	**17,008**
Total liabilities		**22,752**	**46,573**
Net assets		**47,880**	**87,242**

Statement of financial position as of 31 December 2024 and 31 December 2023 (continued)

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Share capital	32	4,053	4,053
Share premium account	33	50,671	50,671
Own shares		-113	-138
Other reserves	34	3,810	1,599
Equity reserve	35	1,155	1,155
Retained earnings	36	-11,696	29,902
Total equity – owners of the Company		**47,880**	**87,242**
Total equity		**47,880**	**87,242**

Statement of changes in equity for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000					Other Group reserves					
	Share capital	Share premium	Own shares	Equity reserves	Other	Translation reserve	OCI on retirement benefits	Total	Retained earnings	Total equity
Balance at 1 January 2023	**4,053**	**50,671**	**-91**	**1,155**	**-2,407**	**398**	**-8**	**-2,017**	**61,445**	**115,216**
Translation differences	–	–	–	–	–	363	–	363	–	363
Loss for the period	–	–	–	–	–	–	–	–	-28,292	-28,292
Total comprehensive income / (loss) for the period	**–**	**–**	**–**	**–**	**–**	**363**	**–**	**363**	**-28,292**	**-27,929**
Own shares acquired / sold in the period	–	–	-47	–	–	–	–	–	–	-47
Other	–	–	–	–	3,253	–	–	3,253	-3,251	2
Balance at 31 December 2023	**4,053**	**50,671**	**-138**	**1,155**	**846**	**761**	**-8**	**1,599**	**29,902**	**87,242**
Translation differences	–	–	–	–	–	1,873	–	1,873	–	1,873
Loss for the period	–	–	–	–	–	–	–	–	-41,758	-41,758
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**1,873**	**–**	**1,873**	**-41,758**	**-39,885**
Own shares acquired / sold in the period	–	–	25	–	–	–	–	–	–	25
Payment in shares	–	–	–	–	338	–	–	338	–	338
Other	–	–	–	–	–	–	–	–	160	160
Balance at 31 December 2024	**4,053**	**50,671**	**-113**	**1,155**	**1,184**	**2,634**	**-8**	**3,810**	**-11,696**	**47,880**

The Other Group reserves in column 'Other' shows the reserve related to the acquisition of Primer Design shares and the reserve for payment in shares. The 2023 movement of £3,253k is a result of the acquisition of Yourgene Health.

The 2024 movement of £338k is related to the Long-Term Incentive Plan (LTIP) implemented in 2024.

Statement of cash flows for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (*)
Net cash used in operating activities	39	**-9,823**	**-25,446**
Operating cash flows from discontinued operations		*-674*	*-3,069*
Operating cash flows from continuing operations		*-9,149*	*-22,377*
Investing activities			
Acquisition / sale of subsidiary net of cash acquired		-1,093	-15,429
Purchases of patents and trademarks		-580	-154
Purchases of property, plant and equipment		-1,281	-517
Sales of property, plant and equipment		22	26
Variation of deposits		-67	116
Interest received		1,139	2,023
Net cash used in investing activities		**-1,860**	**-13,935**
Investing cash flows from discontinued operations		*15*	*96*
Investing cash flows from continuing operations		*-1,875*	*-14,031*
Financing activities			
Repayment of lease liabilities		-1,862	-1,110
Repayment of bank loans		-	-2,355
Purchase of own shares – net		25	-47
Net cash used in financing activities		**-1,837**	**-3,512**
Financing cash flows from discontinued operations		*-91*	*-419*
Financing cash flows from continuing operations		*-1,746*	*-3,093*
Net decrease in cash and cash equivalents		**-13,520**	**-42,893**
Cash and cash equivalents at beginning of year		**44,054**	**86,973**
Effect of foreign exchange rate changes		-81	-26
Cash and cash equivalents at end of year		**30,453**	**44,054**

* The 2023 statement of cash flows has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity under 'cash flows from discontinued operations'.

NOTES TO THE ANNUAL ACCOUNTS

1. CORPORATE INFORMATION

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 financial information contained in this report comprises the consolidated financial statements of the Company and its subsidiaries (hereinafter referred to collectively as the **"Group"**). The figures in the tables are prepared and presented in Great British Pounds ("GBP"), rounded to the nearest thousand ("£'000s").

The 2024 consolidated financial statements were approved by the Board of Directors on 29 April 2025.

2. ADOPTION OF NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

- Standards, interpretations and amendments to standards with mandatory application for the period beginning on or after 1 January 2024 had no material impact on Novacyt's consolidated financial statements at 31 December 2024. These are:
  - Amendment to IAS 1 – Presentation of Financial Statements – This amendment introduces new requirements for classifying liabilities as current or non-current and lists the information to disclose;
  - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosure – These amendments require information to be disclosed regarding supplier finance arrangements;
  - Amendment IFRS 16 – Leases – This amendment concerns the accounting for rental debts in a sale-and-leaseback transaction.

- Standards or interpretations not mandatorily applicable in 2024 that would be available for an early application.

These new texts have not been applied in advance by the Group or are not applicable:

  - Amendment to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate/joint venture;
  - Amendments to IAS 21 – Lack of exchangeability – Assessment of a currency exchangeability and determination of a spot exchange rate.

3. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the European Union.

The financial information has been prepared on the historical cost basis except in respect of those financial instruments that have been measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial information is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The areas where assumptions and estimates are material in relation to the financial information are the measurement of goodwill (see note 16), the carrying amounts and useful lives of the other intangible assets (see note 17), deferred taxes (see note 20), trade receivables (see note 22) and provisions for risks and other provisions related to the operating activities (see note 29).

The accounting policies set out below have been applied consistently to all periods presented in the financial information.

Basis of consolidation

The financial information includes all companies over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Group does not exercise joint control or have significant influence over other companies. Subsidiaries are consolidated from the date on which the Group obtains effective control.

Controlled companies are consolidated by the full consolidation method with recognition of non-controlling interests. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. The Group's scope of consolidation included the following companies, all fully consolidated when included in the scope.

		At 31 December 2024		At 31 December 2023	
Companies & Country		**Interest percentage**	**Consolidation method**	**Interest percentage**	**Consolidation method**
Biotec Laboratories Ltd	UK	-	-	100%	FC
IT-IS International Ltd	UK	100%	DO	100%	DO
Lab21 Healthcare Ltd	UK	100%	DO	100%	DO
Novacyt US Inc	USA	100%	FC	100%	FC
Novacyt Inc	USA	100%	FC	100%	FC
Microgen Bioproducts Ltd	UK	100%	DO	100%	DO
Novacyt SA	France	100%	FC	100%	FC
Novacyt Asia Ltd	Hong Kong	100%	FC	100%	FC
Novacyt China Ltd	China	-	-	100%	FC
Novacyt UK Holdings Ltd	UK	100%	FC	100%	FC
Primer Design Ltd	UK	100%	FC	100%	FC
Yourgene Health Ltd	UK	100%	FC	100%	FC
Yourgene Health UK Ltd	UK	100%	FC	100%	FC
Yourgene Genomic Services Ltd	UK	100%	FC	100%	FC
Yourgene Health SASU	France	100%	FC	100%	FC
Yourgene Health Inc	USA	100%	FC	100%	FC
Yourgene Health GmbH	Germany	100%	FC	100%	FC
Yourgene Health Canada Holdings Ltd	Canada	100%	FC	100%	FC

Yourgene Health Canada Investments Ltd	Canada	100%	FC	100%	FC
Yourgene Health Canada Inc	Canada	100%	FC	100%	FC
Yourgene Health (Singapore) Pte. Ltd	Singapore	100%	FC	100%	FC
Yourgene Health (Taiwan) Co. Ltd*	Taiwan	-	-	100%	FC
Elucigene Ltd	UK	100%	FC	100%	FC
Delta Diagnostics Ltd	UK	100%	DO	100%	FC

Legend: FC: Full consolidation
DO: Discontinued operation

Biotec Laboratories Ltd was dissolved on 20 February 2024.

Novacyt China Ltd was dissolved on 22 July 2024.

*On 1 July 2024, Novacyt disposed of Yourgene Health (Taiwan) Co. Ltd.

Consolidation methods

The consolidated historical financial information is prepared using uniform accounting policies for transactions and other similar events in similar circumstances.

- **Elimination of intercompany transactions**

The intercompany balances arising from transactions between consolidated companies, as well as the transactions themselves, including income, expenses and dividends, are eliminated.

- **Translation of accounts denominated in foreign currency**

The historical financial information is presented in £’000 GBP. The financial statements of companies whose functional currency is not GBP are translated into GBP as follows:

- Items in the statement of financial position are translated at the closing exchange rate, excluding equity items, which are stated at historical rates; and
- Transactions in the income statement and statement of cash flows are translated at the average annual exchange rate.

Translation differences on earnings and equity are recognised directly in other comprehensive income under “Translation reserves” for the portion attributable to the Group. On disposal of a foreign company, the translation differences relating thereto and recognised in other comprehensive income are reclassified to profit or loss.

Exchange differences arising from intragroup balances are recognised as exchange losses or gains in the consolidated income statement.

Discontinued operations and assets held for sale

A discontinued operation is a component that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations,
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
(c) is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are presented in the consolidated income statement as a single amount comprising the total of:

- The post-tax profit or loss of the discontinued operation,
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, and
- The post-tax gain or loss recognised on the disposal of assets or the disposal group making up the discontinued operation.

Where material, the analysis of the single amount is presented in the relevant note (see note 37).

In the statement of cash flows the net cash flow attributable to the operating, investing and financing activities of discontinued operations have been disclosed separately.

No adjustments have been made in the statement of financial position.

Comparatives for discontinued operations are restated.

Going concern

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 £30,453k;
- 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.

Business combinations and measurement of goodwill

- **Business combinations**

Business combinations are accounted for using the purchase method (see IFRS 3).

Each time it acquires a company or group of companies constituting a business, the Group identifies and measures the assets acquired and liabilities assumed, most of which are carried at fair value. The difference between the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, and the net amount recognised in respect of the identifiable assets acquired and liabilities assumed measured at fair value, is recognised as goodwill.

Pursuant to IFRS 3, the Group applies the following principles:

- Transaction costs are recognised immediately as operating expenses when incurred;
- Any purchase price adjustment of an asset or a liability assumed is estimated at fair value at the acquisition date, and the initial assessment may only subsequently be adjusted against goodwill in the event of new information related to facts and circumstances existing at the acquisition date if this assessment occurs within the 12-month allocation period after the acquisition date. Any adjustment of the financial liability recognised in respect of an additional price subsequent to the intervening period or not meeting these criteria is recognised in the Group's comprehensive income;
- Any negative goodwill arising on acquisition is immediately recognised as income; and
- For step acquisitions, the achievement of control triggers the remeasurement at fair value of the interest previously held by the Group in profit or loss. Loss of control results in the remeasurement of the possible residual interest at fair value in the same way.

For companies acquired during the year, only the results for the period following the acquisition date are included in the consolidated income statement. For the financial year 2023, this applies to Yourgene Health Ltd (formerly PLC) and its subsidiaries, which were acquired on 8 September 2023.

- **Measurement of goodwill**

Goodwill is broken down by cash-generating unit ("CGU") or group of CGUs, depending on the level at which goodwill is monitored for management purposes. In accordance with IAS 36, none of the CGUs or groups of CGUs defined by the Group are greater in size than an operating segment.

- **Impairment testing**

Goodwill is not amortised but is subject to impairment testing when there is an indication of loss of value, and at least once a year at the reporting date.

Such testing consists of comparing the carrying amount of an asset to its recoverable amount. The recoverable amount of an asset, a CGU or a group of CGUs is the greater of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset, a CGU or a group of CGUs in an arm's length transaction between wellinformed, willing parties, less the costs of disposal. Value in use is the present value of future cash flows expected to arise from an asset, a CGU or a group of CGUs.

It is not always necessary to determine both the fair value of an asset less costs to sell and its value in use. If either of these amounts exceeds the carrying amount of the asset, the asset is not impaired and it is not necessary to estimate the other amount.

Intangible fixed assets

- **Customer relationships**

In accordance with IFRS 3, the Group's acquisition of Primer Design and Yourgene Health resulted in the recognition of the value of the acquired customer base on the statement of financial position. The value of these assets was determined by discounting the additional margin generated by customers after remuneration of the contributing assets.

Customer relationships are amortised on a straight-line basis over nine years, unless they are deemed to be impaired.

- **Trademark**

The acquisition price of Primer Design and Yourgene Health by the Group has led to the recognition of a number of trademarks. The value of these assets has been determined by discounting the cash flows that could be generated by licensing the trademark, estimated as a percentage of revenue derived from information available on comparable assets.

Trademarks are amortised on a straight-line basis over nine years, unless they are deemed to be impaired.

- **Other intangible assets**

Intangible assets include licences and patents recognised at cost and amortised over useful lives of between 7 and 20 years.

Property, plant and equipment

Items of property, plant and equipment are recognised at their acquisition cost (purchase price plus incidental expenses and acquisition costs).

Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated or amortised on a straight-line basis, with major components identified separately where appropriate, based on the following estimated useful lives:

- Leasehold improvements:	Straight-line basis – 2 to 15 years
- Trademarks:	Straight-line basis – 9 years
- Customer relationships:	Straight-line basis – 9 years
- Patents	Straight-line basis – 10 years
- Plant and machinery:	Straight-line basis – 3 to 6 years

- General fittings, improvements: Straight-line basis – 3 to 5 years
- Transport equipment: Straight-line basis – 5 years
- Office equipment: Straight-line basis – 3 years
- Computer equipment: Straight-line basis – 2 to 4 years

Any leased buildings, equipment or other leases that fall under the scope of IFRS 16 have been capitalised as a right-of-use asset and will be depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

The depreciation or amortisation of property, plant and equipment begins when they are ready for use and ceases at their disposal, scrapping or reclassification as assets held for sale in accordance with IFRS 5.

Given the nature of its assets, the Group does not recognise residual value on the items of property, plant and equipment it uses.

Depreciation and amortisation methods and useful lives are reviewed at each reporting date and revised prospectively if necessary.

Asset impairment

Depreciable and non-depreciable assets are subject to impairment testing when indications of loss of value are identified. In assessing whether there is any indication that an asset may be impaired, the Group considers the following external and internal indicators:

External indicators:

- Drop in the market value of the asset (to a greater extent than would be expected solely from the passage of time or the normal use of the asset);
- Significant changes with an adverse effect on the entity, either having taken place during the period or expected to occur in the near future, in the technical, economic or legal environment in which the Group operates or in which the asset is used; and
- Increases in market interest rates or other market rates of return during the year when it is likely that such increases will significantly reduce the market value and/or value in use of the asset.

Internal indicators:

- Existence of indication of obsolescence or physical damage of an asset unforeseen in the depreciation or amortisation schedule;
- Significant changes in the way the asset is used;
- Weaker-than-expected performance by the asset; and
- Significant reduction in the level of cash flow generated by the asset.

If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. The recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of future cash flows expected to flow from an asset over its estimated useful life.

The recoverable amount of assets that do not generate independent cash flows is determined by that of the CGU to which it belongs; a CGU being the smallest homogeneous group of identifiable assets generating cash flows that are largely independent of other assets or groups of assets.

The carrying amount of an asset is its gross value less accumulated depreciation, for depreciable property, plant and equipment, and impairment losses.

In the event of loss of value, an impairment charge is recognised in the income statement. Impairment is reversed in the event of a change in the estimate of the recoverable value or if indications of loss of value disappear. Impairment is recognised under "Depreciation, amortisation and provisions for impairment of property, plant and equipment and intangible assets" in the income statement.

Intangible assets not subject to amortisation are tested for impairment at least once a year.

Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and a lease liability at lease commencement for all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets.

- The Group records right-of-use assets at cost at the commencement date of the lease, which is the date the underlying asset is available for use, less any accumulated depreciation and impairment losses, and adjusted for subsequent remeasurement of lease liabilities. Cost includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. The Group charges depreciation to the income statement on a straight-line basis over the shorter of the estimated useful life and the lease term.

- The lease liability is initially measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes materials and supplies, and, where applicable, direct labour costs incurred in transforming them into their current state. It is calculated using the weighted average cost method. The recoverable amount represents the estimated selling price less any marketing, sales and distribution expenses.

The gross value of goods and supplies includes the purchase price and incidental expenses.

A provision for impairment, equal to the difference between the gross value determined in accordance with the above terms and the current market price or the realisable value less any proportional selling costs, is recognised when the gross value is greater than the other stated item.

Trade receivables

The Group has an established credit policy under which the credit status of each new customer is reviewed before credit is advanced, including external credit evaluations where possible. Credit limits are established for all significant or high-risk customers, which represent the maximum amount permitted to be outstanding without requiring additional approval from the appropriate level of senior management. Outstanding debts are continually monitored by each division. Credit limits are reviewed on a regular basis, and at least annually. Customers that fail to meet the Group's benchmark creditworthiness may only transact with the Group on a prepayment basis.

Trade receivables are recorded initially at fair value and subsequently measured at amortised cost. This generally results in their recognition at nominal value less an allowance for any doubtful debts. Trade receivables in foreign currency are transacted in their local currency and subsequently revalued at the end of each reporting period, with any foreign exchange differences being recognised in the income statement as an income/expense.

The allowance for doubtful debts is recognised based on Management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model). Through implementation of IFRS 9, the Group concluded that no real historical default rate could be determined due to a low level of historical write offs across the business. The Group therefore recognises an allowance for doubtful debts on the basis of invoice ageing. Once an invoice is overdue from its due date, based on agreed credit terms, by more than 90 days, this invoice is then more likely to default than those invoices operating within 90 days of their due date. As such, these invoices will be provided for in full as part of an expected credit loss model, except where Management have reviewed and judged otherwise.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery may include the failure of the debtor to engage in a payment plan, and failure to make contractual payments within 365 days of the original due date.

Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible into a known amount of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents comprise cash funds, current bank accounts and marketable securities (cash Undertakings for Collective Investment in Transferable Securities ("UCITS"), negotiable debt securities, etc) that can be liquidated or sold within a very short time (generally with original maturities of three months or less) and which have a negligible risk of change in value. All such items are measured at fair value, with any adjustments recognised in the income statement.

Financial liabilities

The Group records bank and other borrowings initially at fair value, which equals the proceeds received, net of direct issue costs, and subsequently at amortised cost. The Group accounts for finance charges, including premiums payable on settlement or redemption and direct issue costs, using the effective interest rate method.

- Trade payables

Trade payables are obligations to provide cash or other financial assets. They are recognised in the statement of financial position when the Group becomes a party to a transaction generating liabilities of this nature. Trade and other payables are recognised in the statement of financial position at fair value on initial recognition, except if settlement is to occur more than 12 months after recognition. In such cases, they are measured using the amortised cost method. The use of the effective interest rate method will result in the recognition of a financial expense in the income statement. Trade and other payables are eliminated from the statement of financial position when the corresponding obligation is discharged.

Trade payables have not been discounted, because the effect of doing so would be immaterial.

Provisions

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognised when the Group has a current obligation as of the reporting date in respect of a third party and it is probable or certain that there will be an outflow of resources to this third party, without at least equivalent consideration from the said third party. Provisions for risks and charges cover the amount corresponding to the best estimate of the future outflow of resources required to settle the obligation.

The provisions are for the restoration of leased premises, risks related to litigations and product warranties.

Contingent consideration

The Group recognises a contingent consideration resulting from an acquisition of assets or securities at their fair value at the acquisition date. Subsequently, the amount of the contingent consideration classified as a financial liability is adjusted to reflect their fair value as of each reporting period and this adjustment is recognised in the consolidated income statement. If the contingent consideration is equity, it is not remeasured.

Long-Term Incentive Plan (LTIP)

The LTIP share-based scheme is accounted for in accordance with IFRS 2 – Share-based Payment.

Share-based awards granted are measured at fair value on grant date, and the value is recognised as share-based compensation expense over the vesting period. The fair values of LTIP share schemes are determined by an external valuer using the Monte Carlo simulation model. Share-based compensation expense, when recognised, is charged to the consolidated income statement with the corresponding entry to reserve or liability, depending on the settlement method of the LTIP schemes within different periods.

In February 2022, a Performance Share Awards programme for executive management was created as part of its new LTIP. This LTIP replaced the previous phantom share award scheme which ended in November 2020.

The 2022 Performance Share Awards programme was structured as nil-cost options, giving a right to acquire a specified number of shares at a nil exercise price per share (i.e. for no payment) in accordance with the rules, governed by sections L-225-197-1 and seq. of the French Commercial Code (“actions gratuites").

The awards vested over a three-year performance period, starting 1 January 2022 and ending on 31 December 2024, and were subject to the Company achieving certain total shareholder return growth conditions. The baseline for total shareholder return was based on the average closing price of the Company’s shares in December 2021, which was £3.54. This was compared to the equivalent figure in December 2024 and as the conditions were not met, no awards were issued.

In April 2024, a new Performance Share Awards programme for executive management was announced. The 2024 Performance Share Awards programme is structured as nil-cost options, giving a right to acquire a specified number of shares at a nil exercise price per share (i.e. for no payment) in accordance with the rules, governed by sections L-225-197-1 and seq. of the French Commercial Code (“actions gratuities”).

The awards will vest over a three-year performance period, starting 1 January 2024 and ending on 31 December 2026, subject to the Company achieving certain total shareholder return growth conditions. The baseline for total shareholder return is based on the average closing price of the Company’s shares in December 2023, which was £0.63. This will then be compared to the equivalent figure in December 2026.

Consolidated revenue

IFRS 15 "Revenue from Contracts with Customers" establishes a principles-based approach to recognising revenue only when performance obligations are satisfied, and control of the related goods or services is transferred. It addresses items such as the nature, amount, timing and uncertainty of revenue, and cash flows arising from contracts with customers. IFRS 15 applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers except those in the scope of other standards:

- Step 1 – Identify the contract(s) with a customer
- Step 2 – Identify the performance obligations in the contract
- Step 3 – Determine the transaction price
- Step 4 – Allocate the transaction price to the performance obligations in the contract
- Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation

The Group principally satisfies its performance obligations at a point in time and revenue recognised relating to performance obligations satisfied over time is not significant. As such, revenue is generally recognised at the point of sale, with little judgement required in determining the timing of transfer of control.

Some contracts with customers contain a limited assurance warranty that is accounted for under IAS 37 (see Provisions accounting policy). If a repair or replacement is not possible under the assurance warranty, a full refund of the product price may be given. The potential refund liability represents variable consideration.

Under IFRS 15.53, the Group can use either:

- The expected value (sum of probability weighted amounts); or
- The most likely amount (generally used when the outcomes are binary).

The method used is not a policy choice. Management use the method that it expects will best predict the amount of consideration based on the terms of the contract. The method is applied consistently throughout the contract. Variable revenue is constrained if appropriate. IFRS 15 requires that revenue is only included to the extent that it is highly probable that there will not be a significant reversal in future periods.

In making this assessment, Management have considered the following factors (which are not exclusive):

- If the amount of consideration is highly susceptible to factors outside the Group's influence;
- Whether the uncertainty about the amount of consideration is not expected to be resolved for a long period of time;
- The Group's experience (or other evidence) with similar types of contract;
- The Group has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances; and
- The contract has a large number and broad range of possible consideration amounts.

The decision as to whether revenue should be constrained is considered to be a significant judgement as the term ‘highly probable’ is not defined in IFRS 15. Management consider highly probable to be significantly more likely than probable.

- **Yourgene Health**

Yourgene Health is an international genomics technology and services business, focussed on delivering molecular diagnostic and screening solutions, across reproductive health and precision medicine.

Revenue is recognised upon delivery of products sold and, where appropriate, after formal customer acceptance. Services revenue is recognised upon completion of the performance obligation. Warranty related revenue is recognised over the term of the agreement.

- **Primer Design**

Primer Design Ltd is a designer, manufacturer and marketer of molecular ‘real-time’ qPCR testing devices and reagents in the area of infectious diseases based in Eastleigh, UK.

Revenue is recognised upon delivery of products sold and, where appropriate, after formal customer acceptance.

- **IT-IS International**

IT-IS International Ltd was a diagnostic instrument development and manufacturing company specialising in the development of PCR devices for the life sciences and food testing industry.

Revenue was recognised upon delivery of products sold and, where appropriate, after formal customer acceptance.

IT-IS International ceased trading during 2024 and is being treated as a discontinued operation.

Taxation

Income tax on profit or loss for the period comprises current and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is the result of the Group’s judgement based on the advice of external tax professionals and supported by previous experience in respect of such activities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences in the near-term.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered in the near-term.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Research and development tax credits

Primer Design Ltd and Yourgene Health UK Ltd benefit from tax credits in respect of some of their research activities. The tax credit is calculated per financial year and deducted from the tax payable by the company in respect of the year during which research expenses were incurred. Tax credits that cannot be deducted from the tax expense are surrendered for a repayable tax credit and treated as a governmental subsidy in the income statement.

Pillar Two global minimum taxation

The OECD Pillar II framework regarding the minimum effective tax rate does not apply to the Novacyt group as total revenues are below the threshold of €750,000k.

Profit/loss per share

The Group reports basic and diluted profit/loss per ordinary share. Basic profit/loss per share is calculated by dividing the profit/loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted profit/loss per share is determined by adjusting the profit/loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, taking into account the effects of all potential dilutive ordinary shares, including options.

Other operating income and expenses

Other operating income and expenses are those incomes or costs that, in the view of the Board of Directors, require separate disclosure by virtue of their size or incidence, and are charged or credited in arriving at operating profit on the face of the consolidated income statement.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATE UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

- **Deferred taxes**

Deferred tax assets are only recognised to the extent that it is considered probable that the Group will have future taxable profits against which the corresponding temporary difference can be offset. Deferred tax assets are reviewed at each reporting date and derecognised if it is no longer probable there will be taxable profits against which the deductible temporary differences can be utilised.

For deferred tax assets on tax losses carried forward, the Group uses a multi-criteria approach that takes into account the recovery timeframe based on the strategic plan, but which also factors in the strategy for the long-term recovery of tax losses in each country.

Deferred tax liabilities relate to the assets acquired as part of the Yourgene Health acquisition and accelerated capital allowances.

- **Trade and other receivables**

An estimate of the risks of non-receipt based on commercial information, current economic trends and the solvency of individual customers is made to determine the need for impairment on a customer-by-customer basis. Management use significant judgement in determining whether a credit loss provision is required.

At the year end, the Group had trade receivables of £3,540k against which a credit loss provision of £302k has been applied.

- **Provisions**

The carrying value of provisions at 31 December 2024 and 2023 are as per the table below:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Provision for restoration of premises	1,692	1,576
Provision for litigation	500	157
Provision for product warranty	15	19,795
Provision for retirement benefits	7	7
Total provisions	**2,214**	**21,535**

- **Provisions for restoration of premises**

The Group has recognised provisions for the estimated costs of restoring leased premises to their original condition at the end of lease agreements, in accordance with the terms of the respective lease contracts. These provisions are based on management's best estimate of the costs required, taking into account factors such as the condition of the premises, the nature of the lease terms, and the expected timeframe for restoration. Where possible, Management use external expert estimates to support a provision value. The estimation process involves a degree of judgement, as there may be uncertainties regarding the timing, extent of restoration work required, and changes in external factors such as market conditions, regulatory requirements, and inflation. The eventual settling of such property-related provisions will be dependent on negotiations with the relevant landlord. As such, the provision is reviewed at each reporting period and adjusted as necessary to reflect the most current information available.

- **Provisions for product warranty**

The Group recognises provisions for product warranties based on the estimated costs of fulfilling warranty obligations for products sold that remain in warranty at the end of the reporting period. The provision is calculated using historical warranty claim data notably the average warranty claim rate and the cost of repair. Management exercises significant judgement in estimating the expected future warranty costs, as the actual costs may vary depending on factors such as the nature of defects, product performance, and customer usage. The warranty provision is reviewed regularly, with adjustments made as necessary to reflect updated expectations of the costs to be incurred. As a result, there is inherent uncertainty in the estimation process, and actual warranty claims may differ from the provision recognised. Product warranty provisions are only included if it is considered to be probable that an outflow of economic benefit will be required. Determination of probable is a significant judgement.

The provision for product warranty at 31 December 2024 is £15k (2023: £19,795k), with the decrease from 2023 primarily relating to the release of the DHSC related product warranty provision (see note 5 and note 29).

Key sources of estimation uncertainty

- **Measurement of goodwill**

Goodwill is tested for impairment on an annual basis. The recoverable amount of goodwill is determined mainly on the basis of forecasts of future cash flows. The total amount of anticipated cash flows reflects Management's best estimate of the future benefits and liabilities expected for the relevant CGU. The assumptions used and the resulting estimates sometimes cover very long periods, taking into account the technological, commercial and contractual constraints associated with each CGU. These estimates are mainly subject to assumptions in terms of volumes, selling prices and related production costs, and the exchange rates of the currencies in which sales and purchases are denominated. They are also subject to the discount rate used for each CGU.

The value of the goodwill is tested whenever there are indications of impairment and reviewed at each annual closing date or more frequently should this be justified by internal or external events.

The carrying amount of goodwill in the statement of financial position and related impairment loss over the period is shown below:

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Goodwill Primer Design	5,979	6,255
Cumulative impairment of goodwill	-3,922	-4,103
Net value	2,057	2,152
Goodwill IT-IS International	9,437	9,437
Cumulative impairment of goodwill	-9,437	-9,437
Net value	-	-
Goodwill Yourgene Health (*)	11,852	19,294
Cumulative impairment of goodwill	-11,240	-
Net value	612	19,294
Total goodwill	**2,669**	**21,446**

(*) See notes 16 and 38

Sensitivity analysis has been performed on the goodwill balance and is presented in note 16.

- **Measurement and useful lives of intangible assets**

Other intangible assets (except for goodwill) are considered to have a finite economic useful life. They are amortised over their estimated useful lives that are reviewed at each reporting date. In the event of impairment, an estimate of the asset's recoverable amount is made (see note 17).

The main intangible assets requiring estimates and assumptions are the trademarks and the customer relationships identified as a result of the acquisition of Primer Design and Yourgene Health.

The value of the intangible assets is tested whenever there are indications of impairment and reviewed at each annual closing date or more frequently should this be justified by internal or external events.

  - **Trademarks**

The value of these assets was determined by discounting the cash flows that could be generated by licensing the trademark, estimated as a percentage of revenue derived from information available on comparable assets.

Trademarks are amortised on a straight-line basis over a period of nine years, estimated as their useful life. They are also tested for impairment at least annually. Their recoverable amount is determined using forecasts of future cash flows. The total amount of anticipated cash flows reflects Management's best estimate of the future benefits and liabilities expected from the operation of the trademark. The resulting estimates are subject to discount rate, percentage of revenue and useful life assumptions.

The carrying amount of trademarks at 31 December 2024 is £1,447k (2023: £100k). The amortisation charge for the period is £309k and the cumulative amortisation is £1,615k (2023: £1,329k).

  - **Customer relationships**

The value of these assets was determined by discounting the additional margin generated by customers after remuneration of the contributing assets.

Customer relationships are amortised on a straight-line basis over a period of nine years, estimated as their useful life. They are also tested for impairment at least annually. Their recoverable amount is determined using forecasts of future cash flows over an estimated period of time. The total amount of anticipated cash flows reflects Management's best estimate of the future benefits and liabilities expected from customer relationships. The resulting estimates are subject to assumptions in respect of the discount rate, additional margin generated by customers after remuneration of contributing assets and useful lives.

The carrying amount of customer relationships at 31 December 2024 is £12,281k (2023: £5,715k). The amortisation charge for the period is £2,189k and the cumulative amortisation is £6,404k (2023: £4,425k).

- **Patents**

These assets were predominantly acquired through the acquisition of Yourgene Health and have been measured at fair value at the date of acquisition.

Patents are amortised on a straight-line basis over a period of 10 years, estimated as their useful life. They are also tested for impairment at least annually. Their recoverable amount is determined using forecasts of future cash flows over an estimated period of time. The total amount of anticipated cash flows reflects Management's best estimate of the future benefits and liabilities expected from patents. The resulting estimates are subject to discount rate, projected revenue and useful life assumptions.

The carrying amount of patents at 31 December 2024 is £2,907k (2023: £3,552k). The amortisation charge for the period is £563k and the cumulative amortisation is £747k (2023: £265k).

- **Litigations**

The Group may be party to regulatory, judicial or arbitration proceedings which may have an impact on the Group's financial position.

The Group's Management regularly reviews current proceedings, their progress and assesses the need to establish appropriate provisions or to change their amount if the occurrence of events during the course of the proceedings necessitates a reassessment of the risk. Internal or external advisors are involved in determining the costs that may be incurred.

The decision to set aside provisions to cover a risk and the amount of such provisions are based on the risk assessment on a case-by-case basis, Management's assessment of the unfavourable nature of the outcome of the proceeding in question (probability) and the ability to reliably estimate the associated amount.

5. MAIN EVENT OF THE PERIOD – DEPARTMENT OF HEALTH AND SOCIAL CARE 'DHSC' SETTLEMENT IMPACT

During 2021, the Group received notification of a contract dispute between its subsidiary, Primer Design Ltd, and the DHSC. The total amount of revenue in dispute was £130,642k (£156,770k including VAT) in respect of performance obligations satisfied in 2020.

As a result, an invoice for a total of £19,964k (£23,957k including VAT) in respect of products delivered in 2020 was outstanding and its recovery was contingent on the outcome of the dispute. A product warranty provision totalling £19,753k was also booked in 2020.

In 2021, additional invoices totalling £49,034k (including VAT) were included in the dispute. In accordance with IFRS 15 "Revenue from Contracts with Customers", this amount was reversed from revenue. No bad debt provision was recognised.

On 25 April 2022, legal proceedings were issued against Novacyt and Primer Design Ltd and on 30 January 2023, the UK High Court directed Novacyt that the hearing of the case had been listed to commence on 10 June 2024.

On 11 June 2024, the Group reached a settlement with the DHSC on terms that the Group pays £5,000K to the DHSC.

Consequently, from an income statement perspective, the transactions resulted in a net loss of circa £5,000k:

i) The December 2020 outstanding DHSC invoice for £19,964k (excluding £3,993k VAT) was written off as a bad debt (see note 11 'General and administrative expenses' and note 22 'Trade and other receivables').

ii) The product warranty provision for £19,753k was reversed and the unutilised allowance was released to cost of sales in the income statement (see note 8 'Cost of sales' and note 29 'Provisions').

iii) The settlement fee of £5,000k (gross) is shown in other operating expenses.

From a cash flow perspective:

i) The Group paid £5,000k inclusive of all taxes, to the DHSC in July 2024 (visible in other operating expenses in the income statement and in "Net cash used in operating activities" in the statement of cash flows).

ii) The Group was able to reclaim circa £12,200k VAT paid to HMRC relating to the uncollectible DHSC invoices, and the cash was received in late 2024 (visible in note 22 'Trade and other receivables' and in "Net cash used in operating activities" in the statement of cash flows).

Legal and professional fees incurred in defending the claim along with product storage costs are shown in note 12 'Other operating income and expenses'.

6. REVENUE

The table below shows revenue on a geographical basis:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Geographical area		
United Kingdom	4,428	3,334
France	2,547	1,011
Europe (excluding UK and France)	3,578	1,443
America	2,678	1,494
Asia-Pacific	5,120	2,478
Middle East	758	433
Africa	521	428
Total revenue	**19,630**	**10,621**

Revenue has increased resulting from the inclusion of sales from Yourgene Health post-acquisition, noting that 2024 has twelve months of Yourgene Health trading activity versus only four months in 2023 (8 September onwards).

A portion of the Group's revenue is generated in foreign currencies (particularly in Euros and US Dollars). The Group has not hedged against the associated currency risk.

The breakdown of revenue by operating segment and geographic area is presented in note 7.

7. OPERATING SEGMENTS

Segment reporting

Pursuant to IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the Group's Chief Executive to make decisions regarding the allocation of resources to the segment and to assess its performance; and
- for which discrete financial information is available.

The Group has identified three operating segments, whose performance and resources are monitored separately. Following the Group's decision to discontinue the IT-IS International business in 2024, it has been treated as a discontinued operation for 2024 and the 2023 comparative period.

- **Yourgene Health**

This segment represents the activities of Yourgene Health and its subsidiaries, a genomics technology and services business, focussed on delivering molecular diagnostic and screening solutions, across reproductive health and precision medicine, based throughout the world but with its headquarters in Manchester, UK.

- **Primer Design**

This segment represents the activities of Primer Design Ltd, which is a designer, manufacturer and marketer of molecular 'real-time' qPCR testing devices and reagents in the area of infectious diseases based in Eastleigh, UK. The operations of the business were moved to Manchester in early 2025.

- **IT-IS International**

This segment represents the activities of IT-IS International Ltd, a diagnostic instrument development and manufacturing company that specialised in the development of PCR devices for the life sciences and food testing industry, that was based in Stokesley, UK. As this business ceased trading in late 2024, this segment is being treated as a discontinued operation.

The Group's central/corporate costs that are not allocated to individual operating segments are shown below under Corporate. Where appropriate, costs are recharged to individual operating segments via a management recharge process.

Intercompany eliminations represent intercompany transactions across the Group that have not been allocated to an individual operating segment. It is not a discrete segment.

The Chief Operating Decision Maker is the Chief Executive Officer.

Headcount

The average headcount by segment is presented in the table below:

Segment	**2024**	**2023**
Yourgene Health	148	149
Primer Design	48	74
IT-IS International	19	24
Corporate	19	23
Total headcount	**234**	**270**

The reduction in Primer Design and IT-IS International headcount reflects the impact of redundancy programmes on the businesses.

Breakdown of revenue by operating segment and geographic area

- 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**

- Year ended 31 December 2023

Amounts in £'000	**Primer Design**	**Yourgene Health**	**Total**
Geographical area			
United Kingdom	1,415	1,919	**3,334**
France	268	743	**1,011**
Europe (excluding UK and France)	628	815	**1,443**
America	1,076	418	**1,494**
Asia-Pacific	1,029	1,449	**2,478**
Middle East	211	222	**433**
Africa	360	68	**428**
Total revenue	**4,987**	**5,634**	**10,621**

Breakdown of result by operating segment

- Year ended 31 December 2024

Amounts in £'000	Primer Design	Yourgene Health	Corporate	Intercompany eliminations	Total
Revenue	4,346	15,284	-	-	19,630
Cost of sales	19,030	-6,634	-	48	12,444
Sales and marketing costs	-1,150	-4,035	-317	9	-5,493
Research and development	-745	-1,759	-263	-	-2,767
General and administrative	-22,665	-9,783	-390	-43	-32,881
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-1,184**	**-6,927**	**-970**	**14**	**-9,067**
Depreciation and amortisation					-7,358
Operating loss before other operating income/expense					**-16,425**
Other operating income					128
Other operating expenses					-21,046
Operating loss after other operating income/expense					**-37,343**
Financial income					3,034
Financial expense					-5,121
Loss before tax					**-39,430**

Year ended 31 December 2023

Amounts in £'000	Primer Design	Yourgene Health	Corporate	Intercompany eliminations	Total
Revenue	4,987	5,634	-	-	10,621
Cost of sales	-3,978	-3,282	-	130	-7,130
Sales and marketing costs	-2,447	-1,105	-41	-	-3,593
Research and development	-1,846	-1,004	-	-	-2,850
General and administrative	-6,030	-2,254	-716	27	-8,973
Governmental subsidies	154	-	-	-	154
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-9,160**	**-2,011**	**-757**	**157**	**-11,771**
Depreciation and amortisation					-3,736
Operating loss before other operating income/expense					**-15,507**
Other operating income					31
Other operating expenses					-9,973
Operating loss after other operating income/expense					**-25,449**
Financial income					3,421
Financial expenses					-2,436
Loss before tax					**-24,464**

Assets and liabilities are not reported to the Chief Operating Decision Maker on a segmental basis and are therefore not disclosed.

In accordance with IFRS 5, the results of the IT-IS International segment for 2024 and 2023 have been reported on a separate line 'Loss from discontinued operations' in the consolidated income statement, which is shown below loss before tax and thus is not reported in the table above.

Breakdown of non-current assets by geographical area

The tables below exclude financial instruments and deferred tax assets.

- Year ended 31 December 2024

Amounts in £'000	United Kingdom	Rest of Europe	America	Asia-Pacific	Total
Goodwill	2,669	-	-	-	2,669
Other intangible assets	15,666	-	1,909	-	17,575
Property, plant and equipment	2,004	300	88	15	2,407
Right-of-use assets	7,940	255	72	27	8,294
Total	**28,279**	**555**	**2,069**	**42**	**30,945**

- Year ended 31 December 2023

Amounts in £'000	United Kingdom	Rest of Europe	America	Asia-Pacific	Total
Goodwill	9,674	4,604	6,964	204	21,446
Other intangible assets	5,585	1,285	3,358	4	10,232
Property, plant and equipment	2,948	268	514	453	4,183
Right-of-use assets	9,392	348	351	945	11,036
Total	**27,599**	**6,505**	**11,187**	**1,606**	**46,897**

8. COST OF SALES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Cost of inventories recognised as an expense	11,390	6,686
Change in stock provision	-5,790	-989
Freight costs	24	41
Direct labour	1,535	1,363
Product warranty	-19,738	-
Other	135	29
Total cost of sales	**-12,444**	**7,130**

Cost of sales is a credit balance as a result of releasing the DHSC related product warranty provision for £19,753K, following the settlement.

In 2024, the stock provision has decreased by a net £5,790k (2023: decreased by £989k). Stock, which had previously been provided for, has been written off and disposed of during 2024 following the DHSC settlement (see note 5), with the cost being charged to 'Cost of inventories recognised as an expense' and a corresponding release of the stock provision being made.

9. SALES, MARKETING AND DISTRIBUTION EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Advertising expenses	337	260
Distribution expenses	465	215
Employee compensation and social security contributions	4,206	2,751
Travel and entertainment expenses	329	203
Other sales and marketing expenses	156	164
Total sales, marketing and distribution expenses	**5,493**	**3,593**

The key driver for labour costs increasing in 2024 is that it has twelve months of Yourgene staff costs compared to four months (8 September onwards) in 2023.

10. RESEARCH AND DEVELOPMENT EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Employee compensation and social security contributions	2,292	1,843
Other expenses	475	1,007
Total research and development expenses	**2,767**	**2,850**

The key driver for labour costs increasing in 2024 is that it has twelve months of Yourgene staff costs compared to four months (8 September onwards) in 2023.

Other expenses, which include R&D consumables and non-capitalised development costs have fallen year-on-year as external expenditure was scaled back.

11. GENERAL AND ADMINISTRATIVE EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Purchases of non-stored raw materials and supplies	583	301
Lease and similar payments	284	336
Maintenance and repairs	931	443
Insurance premiums	786	741
Legal and professional fees	1,811	1,707
Banking services	61	48
Employee compensation and social security contributions	6,552	4,196
Depreciation and amortisation of property, plant and equipment and intangible assets	7,358	3,737
DHSC bad debt write off	19,964	-
Management fees revenue to discontinued activities	-296	-673
Other general and administrative expenses	2,205	1,873
Total general and administrative expenses	**40,239**	**12,709**

The main driver for the year-on-year increase in general and administrative expenses relates to the bad debt write off of £19,964k in relation to the DHSC December 2020 invoice that, as per the terms of the settlement agreement in June 2024, will not be paid.

Labour costs have increased year-on-year due to the inclusion of a full twelve months of Yourgene staff costs compared to four months (8 September onwards) in 2023, which have been partially offset by restructuring savings.

Depreciation and amortisation of property, plant and equipment and intangible assets increased in 2024 due to the inclusion of a full twelve months of Yourgene charges compared to four months (8 September onwards) in 2023.

Legal and professional fees include advisors' fees, audit fees and legal fees.

Other general and administrative expenses include building rates, regulatory fees, loss on disposal of fixed assets and IT expenses.

12.OTHER OPERATING INCOME AND EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Other operating income	128	31
Total other operating income	**128**	**31**
Impairment of Yourgene Health goodwill	-11,240	-
Impairment of Primer Design goodwill	-	-4,113
DHSC contract dispute costs	-7,273	-1,862
Restructuring expenses	-1,242	-1,593
Acquisition related expenses	-67	-1,705
Loss on disposal of Taiwan subsidiaries	-861	-349
Other expenses	-363	-351
Total other operating expenses	**-21,046**	**-9,973**

Operating expenses

Following the conclusion of the purchase price allocation process, the goodwill balance attributable to the acquisition of Yourgene was impaired by £11,240k as part of the annual impairment review process.

DHSC contract dispute costs relate to legal and professional fees and product storage costs incurred in the resolution of the commercial dispute. The settlement figure of £5,000k agreed with the DHSC is included within this category.

Restructuring expenses in 2024 relate to Group-wide restructuring charges, as the Group continues to reduce its cost base.

2023 acquisition related expenses were associated with the acquisition of Yourgene Health plc.

13. FINANCIAL INCOME AND EXPENSE

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Financial foreign exchange gains	1,611	576
Interest received from discontinued operations	215	820
Other financial income	1,208	2,025
Total financial income	**3,034**	**3,421**
Interest on IFRS 16 liabilities	-677	-446
Financial foreign exchange losses	-4,304	-1,608
Discount of financial instruments	-84	-32
Interest paid to discontinued operations	-15	-227
Other financial expense	-41	-123
Total financial expense	**-5,121**	**-2,436**

Financial foreign exchange gains and losses are driven by revaluations of bank and intercompany accounts held in foreign currencies.

Interest received from or paid to discontinued operations relates to interest on intercompany balances with Microgen Bioproducts Ltd, Lab21 Healthcare Ltd and IT-IS International Ltd.

Other financial income relates to interest received on cash balances.

14.TAX INCOME / (EXPENSE)

The 2024 financials have been calculated using a UK corporation tax rate of 25%.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group's tax charge is the sum of the total current and deferred tax.

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Current tax		
Current year income	137	217
Deferred tax		
Deferred tax income	595	136
Total taxation income in the income statement	**732**	**353**

The tax income for the period can be reconciled to the loss before tax as follows:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023 (*)
Loss before taxation	**-39,430**	**-24,464**
Tax at the UK corporation tax rate (2024: 25% - 2023: 23.5%)	9,858	5,749
Effect of different tax rates of subsidiaries operating in other jurisdictions	-19	47
Change of the tax rate for the calculation of the deferred tax	-60	133
Effect of non-deductible expenses and non-taxable income	-4,551	-1,743
Recognition/(derecognition) of deferred tax assets	-4,612	274
Change in unrecognised deferred tax assets	-	-4,433
Other adjustments	116	326
Total taxation income for the year	**732**	**353**

* The 2023 consolidated income statement is presented to reflect the impact of the application of IFRS 5 relative to discontinued operations.

At 31 December 2024, the Group has unused tax losses of £165,670k (2023: £133,739k) available for offset against future relevant profits.

The key item making up the non-deductible expenses in 2024 and 2023 is the impairment of goodwill.

15.LOSS PER SHARE

The loss per share is calculated based on the weighted average number of shares outstanding during the period. The diluted loss per share is calculated based on the weighted average number of shares outstanding and the number of shares issuable as a result of the conversion of dilutive financial instruments. At 31 December 2024 there are no outstanding dilutive instruments.

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Net loss attributable to owners of the Company	-41,758	-28,292
Impact of dilutive instruments	-	-
Net diluted loss attributable to owners of the Company	-41,758	-28,292
Weighted average number of shares (actual amount)	70,626,248	70,626,248
Impact of dilutive instruments	-	-
Weighted average number of diluted shares	70,626,248	70,626,248
Loss per share (£)	**-0.59**	**-0.40**
Diluted loss per share (£)	**-0.59**	**-0.40**
Loss per share from continuing operations (£)	*-0.55*	*-0.34*
Diluted loss per share from continuing operations (£)	*-0.55*	*-0.34*
Loss per share from discontinued operations (£)	*-0.04*	*-0.06*
Diluted loss per share from discontinued operations (£)	*-0.04*	*-0.06*

16. GOODWILL

Goodwill is the difference recognised, upon consolidation of a company, between the fair value of the purchase price of its shares and the net assets acquired and liabilities assumed, measured in accordance with IFRS 3.

Cost	**£'000**
At 1 January 2023	31,502
Acquisition of the Yourgene Health Group of companies (*)	19,542
Disposal of Cambridge Genomics Corporation and Yourgene Biosciences Co. Ltd	-276
Exchange differences	-419
At 31 December 2023	50,349
Adjustment to the Yourgene Health goodwill resulting from the completion of the purchase price allocation process (*)	-7,475
Exchange differences	-919
At 31 December 2024	**41,955**
Accumulated impairment losses	
At 1 January 2023	-24,856
Impairment of the Primer Design goodwill	-4,113
Impairment of the IT-IS International goodwill	-262
Exchange differences	328
At 31 December 2023	-28,903
Impairment of the Yourgene Health goodwill	-11,240
Exchange differences	857
At 31 December 2024	**-39,286**
Carrying value	
At 31 December 2023	21,446
At 31 December 2024	**2,669**

(*) See additional information in note 38

Primer Design

The impairment testing of the CGU as at 31 December 2024 was carried out using the DCF method, with the key assumptions as follows:

- Five-year business plan;
- Extrapolation of cash flows beyond five years based on a growth rate of 1.5%; and
- Discount rate corresponding to the expected rate of return on the market for a similar investment, regardless of funding sources, equal to 15.1%.

The implementation of this approach demonstrated that the value in use amounted to £6,323k, which is higher than the carrying amount of all the operating assets in the CGU. As such, no impairment charge was recognised in the year ended 31 December 2024.

Sensitivity of the value derived from the discounted cash flow model to changes to the assumptions used for the Primer Design acquisition.

		Terminal growth rates						
	6,323	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
WACC rates	10.0%	8,981	9,326	9,709	10,138	10,619	11,165	11,789
	11.0%	8,155	8,429	8,732	9,066	9,437	9,852	10,318
	12.0%	7,466	7,689	7,932	8,199	8,491	8,815	9,175
	13.0%	6,884	7,068	7,267	7,483	7,718	7,976	8,260
	14.0%	6,386	6,539	6,704	6,882	7,074	7,284	7,512
	15.1%	5,915	6,041	6,177	6,323	6,480	6,649	6,833
	16.0%	5,578	5,687	5,804	5,929	6,063	6,207	6,362
	17.0%	5,245	5,339	5,439	5,546	5,659	5,781	5,911
	18.0%	4,950	5,031	5,118	5,209	5,306	5,409	5,519

This sensitivity table shows the difference in the recoverable amounts of the Enterprise Value depending on changes in the discount rate (WACC) and the terminal growth rate. The sensitivity analysis shows that an increase of 1% in the WACC would not result in the need to book an impairment charge.

Yourgene Health

The impairment testing of the CGU as at 31 December 2024 was carried out using the DCF method, with the key assumptions as follows:

- Five-year business plan;
- Extrapolation of cash flows beyond five years based on a growth rate of 0.75%; and
- Discount rate corresponding to the expected rate of return on the market for a similar investment, regardless of funding sources, equal to 15.2%.

The implementation of this approach demonstrated that the value in use amounted to £23,935k, which is lower than the carrying amount of all the operating assets in the CGU. As such, an impairment charge of £11,240k was recognised in the year ended 31 December 2024.

Sensitivity of the value derived from the discounted cash flow model to changes to the assumptions used for the Yourgene Health acquisition.

		Terminal growth rates						
	23,935	0.0%	0.3%	0.5%	0.75%	1.0%	2.0%	3.0%
WACC rates	10.0%	45,138	46,352	47,631	48,979	50,401	56,981	65,440
	11.0%	39,012	39,974	40,981	42,038	43,147	48,200	54,517
	12.0%	33,973	34,747	35,555	36,400	37,282	41,253	46,107
	13.0%	29,766	30,399	31,057	31,743	32,456	35,636	39,452
	14.0%	26,211	26,735	27,278	27,842	28,427	31,013	34,069
	15.2%	22,621	23,044	23,482	23,935	24,404	26,457	28,846
	16.0%	20,559	20,929	21,311	21,705	22,113	23,889	25,939
	17.0%	18,286	18,601	18,926	19,261	19,606	21,101	22,810
	18.0%	16,299	16,569	16,847	17,133	17,428	18,698	20,137

This sensitivity table shows the difference in the recoverable amounts of the Enterprise Value depending on changes in the discount rate (WACC) and the terminal growth rate. The sensitivity analysis shows that an increase of 1% in the WACC would result in the need to book an impairment charge.

17.OTHER INTANGIBLE ASSETS

Amounts in £'000	Customer relationships	Trademarks	Development costs	Patents	Software	Other	Total
Cost							
At 1 January 2023	4,621	1,427	197	309	351	-	6,905
Acquisitions	-	-	48	61	45	-	154
Business combinations	5,548	14	1,419	3,569	69	-	10,619
Other disposals	-	-	-490	-157	-	-	-647
Foreign exchange impact	-28	-12	-	36	-2	-	-6
At 31 December 2023	10,141	1,429	1,174(*)	3,818	463	-	17,025
Acquisitions	-	-	-	60	51	467	578
Business combinations	8,731	1,658	-	-	-	-	10,389
Other disposals	-	-	-732	-58	-146	-	-936
Reclassification	-	-	-7	-	-	7	-
Foreign exchange impact	-186	-26	-	-166	3	-	-375
At 31 December 2024	**18,686**	**3,061**	**435**	**3,654**	**371**	**474**	**26,681**
Amortisation							
At 1 January 2023	-2,733	-636	-174	-74	-167	-	-3,784
Amortisation for the year	-851	-160	-404	-209	-97	-	-1,721
Impairment loss	-878	-542	-	-	-	-	-1,420
Other disposals	-	-	68	30	-	-	98
Foreign exchange impact	36	9	-	-11	-	-	34
At 31 December 2023	-4,426	-1,329	-510(*)	-264	-264	-	-6,793
Amortisation for the year	-2,121	-309	-292	-563	-146	-	-3,431
Other disposals	-	-	735	55	135	-	925
Foreign exchange impact	142	24	-	26	1	-	193
At 31 December 2024	**-6,405**	**-1,614**	**-67**	**-746**	**-274**	**-**	**-9,106**
Net book value							
At 1 January 2023	1,888	791	23	235	184	-	3,121
At 31 December 2023	5,715	100	664	3,554	199	-	10,232
At 31 December 2024	**12,281**	**1,447**	**368**	**2,908**	**97**	**474**	**17,575**

(*) Figures in 2023 have been restated to reflect the correct cost and amortisation amounts of the other disposals line item. This did not impact the net book value as at 31 December 2023.

The key driver for the movement in intangible assets is the completion of the purchase price allocation process as per IFRS 3 which, due to the amount, has been reflected in the current year and not retrospectively (see note 38).

18. PROPERTY, PLANT AND EQUIPMENT

Amounts in £'000	Leasehold improvements	Plant and machinery	Office equipment	Total
Cost				
At 1 January 2023	750	3,909	513	5,172
Acquisitions	58	433	26	517
Business combinations	1,208	1,411	225	2,844
Other disposals	-134	-745	-173	-1,052
Foreign exchange impact	15	91	6	112
At 31 December 2023 (*)	1,897	5,099	597	7,593
Acquisitions	288	905	88	1,281
Disposal of businesses	-269	-253	-13	-535
Other disposals	-146	-1,015	-119	-1,280
Foreign exchange impact	-50	-130	-8	-188
At 31 December 2024	**1,720**	**4,606**	**545**	**6,871**
Depreciation				
At 1 January 2023	-440	-1,631	-350	-2,421
Depreciation for the year	-317	-1,108	-155	-1,580
Other disposals	135	385	165	685
Foreign exchange impact	-5	-84	-5	-94
At 31 December 2023 (*)	-627	-2,438	-345	-3,410
Depreciation for the year	-697	-1,623	-77	-2,397
Disposal of businesses	35	43	4	82
Other disposals	120	925	93	1,138
Foreign exchange impact	93	98	-68	123
At 31 December 2024	**-1,076**	**-2,995**	**-393**	**-4 464**
Net book value				
At 1 January 2023	310	2,278	163	2,751
At 31 December 2023	1,270	2,661	252	4,183
At 31 December 2024	**644**	**1,611**	**152**	**2,407**

(*) Figures in 2023 have been restated to reflect the property, plant and equipment acquired in business combinations at their initial fair value at acquisition date.

The increase in property, plant and equipment in 2023 was driven by the assets acquired through the 2023 acquisition of Yourgene Health. The decrease in property, plant and equipment in 2024 mainly results from the depreciation for the year, including a full year's depreciation on the assets acquired from the Yourgene acquisition, and the disposal of Yourgene Health (Taiwan) Co. Ltd in July 2024.

Other disposals in 2024 relate to the disposal of assets as part of site consolidations across the Group.

19. RIGHT-OF-USE ASSETS

Amounts in £'000	Land and buildings	Plant and machinery	Motor vehicles	Total
Cost				
At 1 January 2023	1,469	19	-	1,488
Additions	306	-	54	360
Business combinations	10,300	674	6	10,980
Other disposals	-632	-11	-	-643
Foreign exchange impact	31	5	-	36
At 31 December 2023 (*)	11,474	687	60	12,221
Additions	326	-	-	326
Disposals of businesses	-868	-	-	-868
Other disposals	-672	-28	-6	-706
Foreign exchange impact	-103	-17	-	-120
At 31 December 2024	**10,157**	**642**	**54**	**10,853**
Depreciation				
At 1 January 2023	-951	-16	-	-967
Depreciation for the year	-778	-73	-3	-854
Other disposals	632	11	-	643
Foreign exchange impact	-7	-	-	-7
At 31 December 2023 (*)	-1,104	-78	-3	-1,185
Depreciation for the year	-2,013	-187	-22	-2,222
Disposals of businesses	112	-	-	112
Other disposals	672	29	6	707
Foreign exchange impact	25	4	-	29
At 31 December 2024	**-2,308**	**-232**	**-19**	**-2,560**
Net book value				
At 1 January 2023	518	3	-	521
At 31 December 2023	10,370	609	57	11,036
At 31 December 2024	**7,849**	**410**	**35**	**8,294**

(*) Figures in 2023 have been restated to reflect the right-of-use assets acquired in business combinations at their proper values at acquisition date.

The increase in right-of-use assets in 2023 was predominantly driven by the leased premises acquired through the 2023 acquisition of Yourgene Health. The decrease in right-of-use assets in 2024 mainly results from the depreciation for the year, including a full year's depreciation on the assets acquired from the Yourgene acquisition, and the disposal of Yourgene Health (Taiwan) Co. Ltd in July 2024.

20. DEFERRED TAX ASSETS AND LIABILITIES

The table below shows the movements in deferred tax assets and liabilities during the reporting period:

Amounts in £'000	Accelerated capital allowances	Intangible assets	Tax losses	Total
At 1 January 2023	-646	-395	624	-417
Business combinations	-	-1,938	6	-1,932
Credit / (charge) to income statement	239	509	-217	531
Impact of FX variation	-	-10	-	-10
At 31 December 2023	-407	-1,834	413	-1,828
Business combinations	-	-2,963	-	-2,963
Credit / (charge) to income statement	127	595	-127	595
Impact of FX variation	-	37	-	37
At 31 December 2024	**-280**	**-4,165**	**286**	**-4,159**

At 31 December 2024, deferred tax liabilities amounting to £280k (2023: £407k) reflect the tax advantage from investments in fixed assets that is obtained in advance of depreciation charges.

At 31 December 2024, deferred tax liabilities amounting to £4,165k (2023: £1,834k) result from the recognition of brand and customer relationships intangible assets as part of the Yourgene Health acquisition in September 2023.

Deferred tax assets and liabilities are recognised on the statement of financial position as follows:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Deferred tax assets	286	413
Deferred tax liabilities	-4,445	-2,241
Net deferred tax (liabilities) / assets	**-4,159**	**-1,828**

The following table shows the deferred tax assets not presented in the statement of financial position, that are mainly made up of unused tax losses:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Novacyt SA	2,197	1,993
Novacyt UK Holdings	5,748	4,506
IT-IS International	1,880	1,268
Primer Design	12,791	12,281
Yourgene Health Ltd	10,373	13,450
Yourgene Health UK	4,146	3,427
Yourgene Genomic Services	924	672
Yourgene Health Canada Holdings	989	850
Yourgene Health Singapore	573	503
Yourgene Health France	1,586	764
Delta Diagnostics	15	61
Total unrecognised deferred tax assets	**41,222**	**39,775**

21. INVENTORIES AND WORK IN PROGRESS

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Raw materials	5,003	10,691
Work in progress	1,803	1,751
Finished goods	3,065	3,631
Stock provisions	-7,602	-13,051
Total inventories and work in progress	**2,269**	**3,022**

Total inventories and work in progress has decreased in the year with the main driver being providing for or writing off all remaining IT-IS International stock following its closure.

The main driver for the stock provision reduction in 2024 is due to disposing of stock that had previously been fully provided for.

22.TRADE AND OTHER RECEIVABLES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Trade and other receivables	3,540	27,509
Expected credit loss provision	-302	-223
Tax receivables – Value Added Tax	1,004	8,541
Other receivables	475	207
Total trade and other receivables	**4,717**	**36,034**

Trade and other receivables has fallen since December 2023 predominantly as a result of the DHSC settlement, whereby the December 2020 unpaid invoice for £23,957k has been written off as it will no longer be paid, as per the terms of the settlement agreement.

The 'Tax receivables – Value Added Tax' balance has reduced following the successful reclaim of VAT paid in the UK on sales invoices that will no longer be paid by the DHSC, as per the terms of the settlement agreement.

Trade receivables balances are due within one year. Once an invoice is more than 90 days overdue, it is deemed more likely to default and as such, these invoices have been provided for in full as part of an expected credit loss model, except where Management have reviewed and judged otherwise.

The movement in the expected credit loss provision is shown below:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Balance at the beginning of the period	223	214
Impairment losses recognised	569	260
Amounts written off during the year as uncollectible	-11	-98
Impairment losses derecognised	-40	-120
Amounts recovered during the year	-446	-36
Impact of foreign exchange	7	3
Balance at the end of the period	**302**	**223**

The split by maturity of the clients' receivables is presented below:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Less than one month	2,848	2,579
Between one and three months	389	575
Between three months and one year	278	75
More than one year	25	24,280
Balance at the end of the period	**3,540**	**27,509**

23.PREPAYMENTS AND SHORT-TERM DEPOSITS

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Liquidity contract	2	2
Short-term deposits	174	107
Prepaid expenses	1,276	2,492
Total prepayments and short-term deposits	**1,452**	**2,601**

Prepaid expenses include the annual Group commercial insurance, rent, rates and support costs, of which a number decreased year-on-year.

24.CASH AND CASH EQUIVALENTS

The net cash available to the Group includes the following items:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Available cash	30,453	44,054
Total cash and cash equivalents	**30,453**	**44,054**

Cash and cash equivalents comprise bank and cash balances, call deposits and short-term notice accounts with original maturities of three months or less, with a number of them earning interest.

The carrying amount of cash and cash equivalents approximates fair value.

25. LEASE LIABILITIES

The following tables show lease liabilities carried at amortised cost.

- Maturities

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Lease liabilities – Less than 1 year	1,257	1,209
Lease liabilities – Between 1 and 5 years	3,011	4,664
Lease liabilities – More than 5 years	7,610	7,831
Total lease liabilities	11,878	13,704

- Change in lease liabilities in 2024 and 2023

Amounts in £'000	Opening	Business combinations	Repayment	Non-cash movements	Sale of businesses	Closing
Changes in 2023	872	13,283	-1,110	659	-	13,704
Changes in 2024	13,704	-	-1,862	787	-751	11,878

The main liabilities relate to Skelton House and City Labs, two premises in Manchester, UK, that have multi-year leases.

26. RECONCILIATION OF THE MOVEMENTS OF THE BORROWINGS AND LEASE LIABILITIES WITH THE STATEMENT OF CASH-FLOWS

Repayment of borrowings and lease liabilities in 2024

Note 25 – Lease liabilities	£'000
Change in lease liabilities in 2024: repayment	-1,862
Total repayments in 2024 as per note 25	-1,862

Statement of cash flows for the year 2024	
Cash used in financing activities: repayment of lease liabilities	-1,862

Repayment of borrowings and lease liabilities in 2023

Note 25 – Lease liabilities	£'000
Change in lease liabilities in 2023: repayment	-1,110
Total repayments in 2023 as per note 25	-1,110

Statement of cash flows for the year 2023	
Cash used in financing activities: repayment of lease liabilities	-1,110

27. CONTINGENT CONSIDERATION

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Contingent consideration short-term	-	193
Contingent consideration long-term	-	722
Total contingent consideration	**-**	**915**

The balance at 31 December 2023 related to the Yourgene Health acquisition of Coastal Genomics Inc. (subsequently renamed Yourgene Health Canada Inc) in Canada in 2020. This balance represented an earn-out milestone payment contingent upon achieving revenue targets, which was paid in 2024 following a settlement deal being agreed.

28.TAX RECEIVABLES

The main items making up the 2024 tax receivable balance of £477k relates to research and development tax credits (SME regime) accruals covering 2023 and 2024.

The main items making up the 2023 tax receivable balance of £728k relates to research and development tax credits (SME regime) accruals covering 2022 and 2023.

29.PROVISIONS

The table below shows the nature of and changes in provisions for risks and charges for the period from 1 January 2024 to 31 December 2024:

Amounts in £'000	At 1 January 2024	Increases	Reversals	Reclass	Sales of businesses	Impact of foreign exchange	At 31 December 2024
Provision for retirement benefits	7	-	-	-	-	-	7
Provisions for restoration of premises	1,540	84	-20	-92	-45	-8	1,459
Provisions long-term	**1,547**	**84**	**-20**	**-92**	**-45**	**-8**	**1,466**
Provisions for restoration of premises	36	141	-36	92	-	-	233
Provisions for litigation	157	500	-157	-	-	-	500
Provisions for product warranty	19,795	15	-19,795	-	-	-	15
Provisions short-term	**19,988**	**656**	**-19,988**	**92**	-	-	**748**

The table below shows the nature of and changes in provisions for risks and charges for the period from 1 January 2023 to 31 December 2023:

Amounts in £'000	At 1 January 2023	Business Combinations	Increases	Reversals	Impact of foreign exchange	At 31 December 2023
Provision for retirement benefits	-	7	-	-	-	7
Provisions for restoration of premises	95	1,407	51	-15	2	1,540
Provisions long-term	**95**	**1,414**	**51**	**-15**	**2**	**1,547**
Provisions for restoration of premises	330	-	-	-294	-	36
Provision for litigation	157	-	-	-	-	157
Provisions for product warranty	19,813	-	-	-18	-	19,795
Provisions short-term	**20,300**	-	-	**-312**	-	**19,988**

Provisions short-term have fallen since December 2023 predominantly as a result of the DHSC settlement, whereby the product warranty provision made in relation to the dispute, totalling £19,753k, has been reversed.

Provisions chiefly cover:

- Risks related to litigations;
- The restoration expenses of the premises as per the lease agreements; and
- Product assurance warranties.

The provisions for the restoration of premises are an estimation of amounts payable to cover dilapidations at the end of the rental periods, thus at the following dates:

- Primer Design Ltd: November 2025;
- IT-IS International Ltd: December 2025;
- Yourgene Health: January 2026, August 2026, January 2028, September 2029, and February 2037 as there are multiple sites that do not have co-terminus leases.

30. TRADE AND OTHER LIABILITIES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Trade payables	462	2,311
Accrued invoices	2,433	3,585
Payroll related liabilities	665	1,114
Tax liabilities – Value Added Tax	195	159
Other liabilities	12	14
Total trade and other liabilities	**3,767**	**7,183**

At 31 December 2023, there were a number of high value accruals/trade payables outstanding, such as legal fees associated with defending the DHSC dispute, which are not present at December 2024.

31.OTHER CURRENT LIABILITIES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Deferred income and advance payments received from customers	401	927
Total other current liabilities	**401**	**927**

Other current liabilities has decreased since December 2023 due to a reduction in payments received from customers in advance of receiving the products or service.

32.SHARE CAPITAL

As of 31 December 2024 and 2023, the Company's share capital of €4,708,416.54 was divided into 70,626,248 shares with a par value of 1/15th of a Euro each.

The Company's share capital consists of one class of share. All outstanding shares have been subscribed, called and paid.

	Amount of share capital £'000	Amount of share capital €'000	Unit value per share €	Number of shares issued
Balance at 1 January 2023	**4,053**	**4,708**	**0.07**	**70,626,248**
Balance at 31 December 2023	**4,053**	**4,708**	**0.07**	**70,626,248**
Balance at 31 December 2024	**4,053**	**4,708**	**0.07**	**70,626,248**

33. SHARE PREMIUM ACCOUNT

Amounts in £'000	
Balance at 1 January 2023	**50,671**
Balance at 31 December 2023	**50,671**
Balance at 31 December 2024	**50,671**

34.OTHER RESERVES

Amounts in £'000	
Balance at 1 January 2023	**-2,017**
Transfer reserve payment in shares from "retained earnings"	3,253
Translation differences	363
Balance at 31 December 2023	**1,599**
Reserve payment in shares from "retained earnings"	338
Translation differences	1,873
Balance at 31 December 2024	**3,810**

35.EQUITY RESERVE

Amounts in £'000	
Balance at 1 January 2023	**1,155**
Balance at 31 December 2023	**1,155**
Balance at 31 December 2024	**1,155**

This reserve represents the equity component of warrants and loans.

36.RETAINED EARNINGS/LOSSES

Amounts in £'000	
Balance at 1 January 2023	**61,445**
Loss for the year	-28,292
Transfer reserve payment in shares to "other reserves"	-3,253
Other	2
Balance at 31 December 2023	**29,902**
Loss for the year	-41,758
Other	160
Balance at 31 December 2024	**-11,696**

37.DISCONTINUED OPERATIONS

During 2024, Novacyt commenced a strategic review of the business, which included a review of the IT-IS International business. The outcome of the review resulted in the closure of IT-IS International as the PCR instrumentation market had become saturated, and the business had experienced several consecutive loss-making years.

In accordance with IFRS 5, the net result of the IT-IS International segment has been reported in the line ‘Loss from discontinued operations’ on the consolidated income statement.

The table below presents the detail of the loss generated by the business as of 31 December 2024 and 2023:

Amounts in £’000 Discontinued Operations	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Revenue	546	958
Cost of sales	-862	-719
Gross profit	**-316**	**239**
Sales, marketing and distribution expenses	-181	-357
Research and development expenses	-309	-378
General and administrative expenses	-1,333	-1,815
Governmental subsidies	5	-29
Operating loss before other operating income/expense	**-2,134**	**-2,340**
Other operating income	-	-
Other operating expenses	-805	-1,755
Operating loss after other operating income/expense	**-2,939**	**-4,095**
Financial income	116	219
Financial expense	-237	-720
Loss before tax	**-3,060**	**-4,596**
Taxation (expense) / income	-	415
Loss after tax from discontinued operations	**-3,060**	**-4,181**

38. BUSINESS COMBINATIONS

Acquisition of Yourgene Health Ltd (formerly PLC)

On 8 September 2023, Novacyt UK Holdings Limited, a wholly-owned subsidiary of Novacyt SA, completed the purchase of the entire share capital of Yourgene Health Ltd (formerly PLC), an international molecular diagnostic group. The acquisition was implemented by way of a UK scheme of arrangement between Yourgene Health and its shareholders under Part 26 of the UK Companies Act 2006.

The acquisition combines highly complementary technologies and services, with the enlarged Group able to leverage mutual research and development capabilities for ongoing product development and portfolio enhancement to improve the customer offering.

The purchase price was £16,670k, and was settled in full in cash.

IFRS 3 provides for a period of twelve months from acquisition to complete the measurement of the fair value of assets acquired and liabilities assumed. Following completion of this activity, the main amendment is that there has been a change in the split of the intangible assets (reported preliminary fair value of £10,618k) and goodwill (reported preliminary fair value of £19,542k). The adjustments during the measurement period have been reflected in the current period and not retrospectively applied.

As a result, the fair value of the assets acquired and the liabilities assumed are now as follows:

Intangible assets	£21,000k
Property, plant and equipment	£2,844k
Right-of-use assets	£10,980k
Inventory	£2,542k
Trade receivables	£2,473k
Other current assets	£4,237k
Cash	£1,289k
Lease liabilities	-£13,283k
Bank borrowings	-£2,355k
Contingent liabilities (note 27)	-£1,020k
Deferred tax liabilities	-£4,898k
Trade payables and accruals	-£13,353k
Other current liabilities	-£5,913k
Fair value of assets acquired and liabilities assumed	**£4,542k**

Goodwill	£12,128k

The table above shows how the goodwill figure of £12,128k is arrived at after allocating the purchase price across all the assets and liabilities acquired. The subsequent sale of the Taiwanese entities reduced this initial goodwill amount by £276k to £11,852k. The residual goodwill arising from the acquisition reflects the future growth expected to be driven by new and existing customers, the value of the workforce, patents and know-how.

Goodwill is a residual component calculated as the difference between the purchase price for the acquisition of control and the fair value of the assets acquired and liabilities assumed. It includes unrecognised assets such as the value of the personnel and know-how of the acquiree.

The total amount of goodwill that is expected to be deductible for tax purposes is nil.

39.NOTES TO THE CASH FLOW STATEMENT

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Loss for the year	**-41,758**	**-28,292**
Loss from discontinued operations	*-3,060*	*-4,181*
Loss from continuing operations	*-38,698*	*-24,111*
Adjustments for:		
Depreciation, amortisation, impairment loss and provisions	-202	9,643
Unwinding of discount	84	31
Losses on disposal of assets	681	1,195
Charges related to payment in shares (LTIP)	338	-
Other revenues and charges without cash impact	697	270
Income tax charge / (credit)	-732	-893
Operating cash flows before movements of working capital	**-40,892**	**-18,046**
Decrease in inventories (*)	660	2,554
Decrease in receivables	32,383	3,769
Decrease in payables	-1,209	-12,680
Cash used in operations	**-9,058**	**-24,403**
Income taxes received	373	980
Finance costs	-1,138	-2,023
Net cash used in operating activities	**-9,823**	**-25,446**
Operating cash flows from discontinued operations	*-674*	*-3,069*
Operating cash flows from continuing operations	*-9,149*	*-22,377*

(*) The variation of the inventories value results from the following movements:

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Decrease in the gross value of inventories	6,045	3,351
Variation of the stock provision	-5,385	-797
Total variation of the net value of inventories	**660**	**2,554**

The details for the change in the stock provision are covered in notes 8 and 21.

40.LEASES

In application of IFRS 16, the Group has recognised on the statement of financial position some 'right-of-use' assets and lease liabilities**.**

Primer Design Ltd

The York House leased premises is used for office, storage and laboratory purposes. The annual charge for the site (including service charges) is £262k, with all leases running to November 2025.

IT-IS International Ltd

Units 1, 3 and 4 Wainstones Court leased premises have a mixed use for office, storage and production purposes. The leases commenced in October 2022 and were terminated in February 2025. The annual charge for the site was £34k (including service charges).

In December 2023 the company renewed the lease for MMC House, for mixed use of office, storage and production purposes. The lease will run to December 2025, with an annual charge of £60k.

Yourgene Health

In February 2022 Yourgene Health Ltd took out a new leased premise, Skelton House, based in Manchester, UK, which has mixed use for office, storage, production and laboratory purposes. The annual charge for the site (including car park rent) will be £999k after the rent-free period ended in August 2024. The lease runs to February 2037.

Yourgene Health Ltd has a second leased site in Manchester, UK, which is vacant, having moved its operations to Skelton House in 2022. The annual charge for the site is £276k (including service charges). This lease runs to September 2029.

In September 2021 Yourgene Health Canada Inc took out a leased premise, Broadway, used mainly for storage and production purposes. The annual charge for the site is £106k. The lease runs to August 2026.

Yourgene Health Canada Inc has a second leased site, Nanaimo Unit 206, used as office space. The annual charge for the site is £16k. This lease was renewed in December 2023 and runs to January 2028.

Yourgene Health Canada Inc took out a third leased site, Nanaimo Unit 207, used as office space. The annual charge for the site is £9k and runs to January 2028.

Yourgene Health (Singapore) Pte Ltd has a three-year office space lease at Galaxis Workloft, Singapore, with an annual charge of £27k (including service charges). This lease runs until January 2026.

The table below shows the impact of the leases in the consolidated income and cash flow statements for the financial years 2024 and 2023:

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Cash outflows for leases accounted for as per IFRS 16	-1,862	-1,110
Expenses related to short-term and low-value leases	-290	-340
Total cash outflows for leases	**-2,152**	**-1,450**

41. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. The Group's overall strategy is to ensure there is sufficient working capital to optimise the performance of the business.

The capital structure of the Group consists of net debt (comprising debt less cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings in notes 32 to 36).

The Group is not subject to any externally imposed capital requirements.

The Group is focused on cash management and this is reviewed on a regular basis by the Group Financial Controller and the Chief Financial Officer. The funding mix of the business is reviewed and managed by the Chief Financial Officer and the Chief Executive Officer.

Gearing ratio

The gearing ratio at the year-end is as follows:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Debt (lease liabilities)	11,878	13,704
Cash and cash equivalents	30,453	44,054
Net (cash) / debt	**-18,575**	**-30,350**
Equity	**47,880**	**87,242**
Net (cash) / debt to equity ratio	**-39%**	**-35%**

Debt is defined as long-term and short-term borrowings and lease liabilities (excluding derivatives and financial guarantee contracts) as detailed in notes 25 and 26.

For both years, 2024 and 2023, debt in the table above relates to IFRS 16 lease liabilities.

Equity includes all capital, premiums and reserves of the Group that are managed as capital.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Categories of financial instruments

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Financial assets		
Cash and cash equivalents (note 24)	30,453	44,054
Short-term investments and receivables	3,923	27,669
Financial liabilities		
Fair value through profit and loss	-	915
Amortised cost	14,992	20,332

Financial risk management objectives

The Group's finance function is responsible for managing the financial risks relating to the running of the business. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

If a material risk is identified then the Group would look to mitigate that risk through the appropriate measure, such as hedging against currency fluctuations.

The Group does not use complex derivative financial instruments to reduce its economic risk exposures.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

There has been no change to the Group's exposure to market risks or the way these risks are managed and measured.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not managed utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	At 31 December 2024			At 31 December 2023		
Amounts in £'000	Assets	Liabilities	Net Exposure	Assets	Liabilities	Net Exposure
EUR	18,689	-2,275	16,414	16,702	-2,081	14,621
USD	9,567	-2,458	7,109	4,290	-2,823	1,467
CAD	738	-390	347	607	-429	178
SGD	455	-274	182	130	-178	-48
TWD	24	-24	-	268	-258	10

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro and US Dollar currencies.

The following table details the Group's sensitivity to a 5% increase and decrease in GBP against the relevant foreign currencies. 5% represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity.

	Net Assets and Liabilities	
Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
EUR	16,414	14,567
Conversion rate	1.20579	1.15270
Impact GBP strengthening: FX + 5%	-782	-694
Impact GBP weakening: FX - 5%	864	767
USD	7,109	1,467
Conversion rate	1.25456	1.27313
Impact GBP strengthening: FX + 5%	-339	-70
Impact GBP weakening: FX - 5%	374	77

	Income Statement	
Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
EUR	4,848	379
Conversion rate	1.18130	1.14993
Impact GBP strengthening: FX + 5%	-135	-17
Impact GBP weakening: FX - 5%	361	21
USD	742	-31
Conversion rate	1.27809	1.24026
Impact GBP strengthening: FX + 5%	-48	1
Impact GBP weakening: FX - 5%	25	-2

Currencies AUD, CAD, SGD and TWD have not been modelled as their impact is immaterial.

Interest rate risk management

The Group is debt free and therefore it is not exposed to significant interest rate risk.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy 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.

Trade receivables generally consists of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of the financial assets recorded in the historical financial information, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Reliance on major customers and concentration risk

In 2024 and 2023 the Group was not dependent on one particular customer and there were no customers generating sales accounting for over 10% of revenue.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Effective interest rate	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5+ years	Total
	%	£'000	£'000	£'000	£'000	£'000	£'000
31 December 2024							
Variable interest rate instruments	-	-	-	-	-	-	-
Fixed interest rate instruments	5.5	158	316	1,397	5,811	8,086	**15,768**
31 December 2023							
Variable interest rate instruments	-	-	-	-	-	-	-
Fixed interest rate instruments	4.0	1,476	4,940	2,121	6,804	9,617	**24,958**

The following table details the Group's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including any interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Effective interest rate	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Total
	%	£'000	£'000	£'000	£'000	£'000
31 December 2024						
Non-interest bearing	-	10,023	460	800	50	**11,333**
Variable interest rate instruments	3.9	46	18,050	4,947	-	**23,043**
31 December 2023						
Non-interest bearing	-	14,803	434	589	24,692	**40,518**
Variable interest rate instruments	4.3	3,936	27,268	-	-	**31,204**

Fair value measurements

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/12/24	31/12/23				
1) Contingent consideration in relation to the Yourgene Health acquisition of Coastal Genomics (current and non-current portion)	-	915	2	Settled during 2024	-	-

Fair value measurements recognised in the statement of financial position

Amounts in £'000	Year ended 31 December 2024 Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Contingent consideration	-	-	-	-
Total liabilities at FVTPL	**-**	**-**	**-**	**-**

Amounts in £'000	Year ended 31 December 2023 Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Contingent consideration	-	915	-	915
Total liabilities at FVTPL	**-**	**915**	**-**	**915**

There were no transfers between levels during the current or prior year.

The table above only shows the fair value of the financial liabilities as the fair value of the applicable financial assets are not materially different from their carrying value.

Fair value of financial liabilities that are not measured at fair value (but fair value disclosures are required)

There are no financial liabilities in the statement of financial position at 31 December 2024 or 31 December 2023 that are not measured at fair value but for which fair value must be disclosed.

42.RELATED PARTIES

Parties related to Novacyt SA are:

- the managers, whose compensation is disclosed below; and
- the Directors of Novacyt SA.

Remuneration of key management personnel

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Fixed compensation and company cars	1,264	1,176
Variable compensation	160	57
Social security contributions	147	158
Contributions to supplementary pension plans	57	33
Cash based payment benefits – LTIP	15	-
Total remuneration	**1,643**	**1,424**

Aggregate Directors' remuneration

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Fixed compensation and company cars	962	726
Variable compensation	90	-
Social security contributions	140	115
Contributions to supplementary pension plans	28	4
Total remuneration	**1,220**	**845**

Other related party transactions

Yourgene Health invoiced £48k (excluding VAT) in 2024 for goods and services to MyHealthChecked plc, a company for which Lyn Rees is a non-executive Director.

43. AUDIT FEES

Amounts in £'000	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Fees payable to the Company's Auditor and its associates in respect of the audit		
Group audit of these financial statements	198	208
Audit of the Company's subsidiaries' financial statements	160	351
Total audit remuneration	**358**	**559**
Fees payable to the Company's Auditor and its associates in respect of non-audit-related services		
Audit-related assurance services	-	-
All other services	-	-
Total non-audit-related remuneration	**-**	**-**

Audit fees in 2024 have decreased as 2023 included additional one-off first year audit costs following the acquisition of Yourgene Health.

44. SUBSEQUENT EVENTS

There are no material subsequent events to report.