NOVACYT

# Half-yearly Activity Report

# 2025

**Half-year financial statements ended 30 June**

**ACTIVITY REPORT**

**2025 BIANNUAL**

**HALF-YEARLY ACCOUNTS CLOSED ON 30 JUNE 2025**

## Novacyt Group

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.

## Financial Highlights

- The underlying Group revenue has grown by circa 2% (4% on a constant currency basis), excluding the impact of the Taiwan service laboratory divestment
- Unaudited Group statutory revenue for H1 2025 of £9.8m (H1 2024: £10.0m)
- The Group reports strong demand from the reproductive range of products, with a 10% increase in the NIPT Technologies segment year-on-year to £2.4m
- Geographically, the APAC region achieved year-on-year growth of circa 9%, driven by the continued strong demand for the Company's Reproductive Health range of products
- Group gross margin of the business remained strong at 66% (H1 2024: 67%)
- The Group invested an incremental circa £0.7m in R&D during H1 to accelerate the launch of new products
- Group EBITDA loss before exceptional items reduced to £4.1m in H1 2025 (H1 2024: £5.0m loss), predominantly driven by the cost saving initiatives implemented by the Group
- Cash position at 30 June 2025 was £23.7m (31 December 2024: £30.5m), and the Group remains debt free. Cash at the end of August 2025 was £22.5m

## Operational Highlights (including post period-end)

- LightBench® Discover, a high-precision instrument for genomic research labs conducting long-read sequencing, launched in July 2025 with encouraging initial sales
- Received accreditation under the new EU requirements of the In Vitro Diagnostic Regulation ("IVDR") for the Yourgene QST*R Base assay, as well as for Yourgene Cystic Fibrosis Base, which is widely used for newborn screening
- Conclusion of HSE prosecution trial of Lab 21 Healthcare Ltd

**Chief Executive's review**

We are pleased to deliver an improved H1 2025 result compared to last year, as we have continued to streamline our operations, in order to restructure and consolidate the Group to unlock the next phase of growth. The cost savings delivered have further strengthened our balance sheet and enabled the Group to prioritise investment into R&D to accelerate the launch of new products and position the Group for long-term profitable growth. As such, the board remains confident that it has enough cash to see the Group through to EBITDA profitability based on the organic growth plan.

**Clinical**

The Clinical business which is focused across three key strategic pillars: Reproductive Health, Precision Medicine and Infectious Diseases, has generated sales of £6.9m (H1 2024: £7.0m). Whilst sales are marginally down on the period, the Group reports strong demand from the Company's reproductive range of products, with a 10% increase in the NIPT Technologies segment, during the period.

As detailed in the Group's full year results, the Company received accreditation under the new EU requirements of the In Vitro Diagnostic Regulation ("IVDR") for the Yourgene QST*R Base assay in February 2025. This is the third of Novacyt's products to be IVDR accredited demonstrating the high quality and accuracy of the Group's products and the exceptional ability of the regulatory team to navigate the stringent new regulatory environment for in vitro diagnostic tests. Novacyt remains committed to progressing its key products through the IDVR process to ensure that they can be used in the clinical setting.

*Reproductive health*
Our Non-invasive prenatal testing ("NIPT") technology portfolio had another strong period generating revenues of £2.4m (H1 2024: £2.1m), up over 10% year-on-year driven by a number of new customer installations rolling out in H2 2024 and recurring consumable revenue streams that have now been recognised. In addition, during H1 2025 the Group installed several new NIPT accounts across the APAC region, with growth up c.9% year-on-year in this region.

The Company continues to see steady growth in Yourgene Cystic Fibrosis Base uptake for CF screening in Australia, driven by the nationwide reimbursement pathway for CF screening introduced by the Australian government last year. This pathway enables eligible Australians to receive CF screening either before or early in pregnancy with adoption expected to continue over the coming years.

*Precision medicine*
We continue to work on an enhanced dihydropyrimidine dehydrogenase ("DPYD") product assay which meets the current testing guidelines from AMP/ACMG/CPIC, which is expected to launch in Q1 2026. The test helps identify cancer patients at risk of suffering a severe and potentially life-threatening reaction to common chemotherapy.

**Instrumentation**

Post period end, the Company launched LightBench® Discover, a high-precision 3-in-1 instrument for genomic research labs conducting long-read sequencing which was one of the four new products launches Novacyt expected in 2025. LightBench® Discover combines DNA size selection, large fragment analytics and fluorometric quantification into one integrated single benchtop solution that replaces the need for multiple instruments in labs conducting long-read HiFi sequencing.

While the instrumentation segment was flat, year-on-year reporting revenues of £0.9m (H1 2024: £0.9m), as expected whilst labs awaited the new instrument, we expect to see this segment grow in H2 given the feedback we have already received from customers on the cost-effective LightBench® Discover product. H2 has started well, demonstrated by selling four units since launch, and the Board can confirm a strong forward pipeline.

**RUO**

Although the Research Use Only (RUO) segment is slightly down on the prior period, delivering sales of £2.0m (H1 2024: £2.1m), the Company has been re-mapping the route to market for Primerdesign RUO products and has launched of an online shop which went live post-period in August 2025, optimising its distribution channels to drive growth.

**New products**

The Group has previously announced its investment in R&D to support the introduction of new products to the portfolio and deliver future organic revenue growth. The first product, LightBench® Discover, launched successfully in July 2025, with the Company already rolling out and placing four instruments with new customers.

The R&D team have also been working hard on developing a bespoke NIPT solution to meet a change in reimbursement in Thailand where elements of the NIPT workflow needed to be regulated by Thai Food and Drug Administration. This is now being installed in customer laboratories across Thailand.

Finally, there are two other RUO products in development which are on track to be launched before the end of the calendar year, which will mark the completion of four new product launches planned for 2025.

**HSE update**

This month the Lab 21 Healthcare Ltd ("Lab 21") HSE prosecution was resolved and concluded with no further legal action expected. This followed a sentencing hearing which took place in respect of the legal proceedings brought against Lab 21, a non-trading subsidiary of Novacyt, in relation to Lab 21's site based at Axminster, Devon for the use of biological agents at the site. Lab 21 pleaded guilty at Exeter Magistrates Court to health and safety charges relating to the historical operation at the site, between June 2018 and April 2019. The court granted full recognition for an early guilty plea with Lab 21 being ordered to pay a fine of £52,000. The fine was paid from existing cash resources which did not materially affect the Group's financial position.

**Outlook**

As the Company has now completed its cost saving programmes, realised in terms of reduced cost and reduced cash spend, the Group remains confident that it has enough cash to see it through to EBITDA profitability based on the organic growth plan. Historic legacy issues, such as HSE case, are now resolved, enabling the leadership team to focus solely on business growth and the delivery of new products following R&D investment. The Company will update the market on its forward-looking strategy by the end of 2025, in which it will provide guidance for the 2025 full year and beyond.

**FINANCIAL REVIEW**

***Overview***

Novacyt's H1 2025 performance delivered sales of £9.8m, an EBITDA loss of £4.1m and a loss after tax of £6.8m, which is a material improvement on the prior year. Novacyt continued to execute on right sizing its cost base by closing a number of operational sites, whilst re-investing an element of those savings into R&D to deliver future organic revenue growth.

Cash at 30 June 2025 was £23.7m, providing the Group with a solid foundation on which to build and execute its future strategy.

***Revenue***

Revenue for H1 2024 totalled £9.8m, compared with £10.0m in H1 2024. However, excluding the impact of the Taiwan service laboratory divestment, revenue grew year-on-year by around 2%.

There were differing levels of performance within the Group portfolio, with the Clinical segment performing well and delivering sales of £6.9m. NIPT technologies (within the Clinical segment) saw double digit growth delivering £2.4m of revenue, up from £2.1m in the prior year. The RUO segment delivered sales of £2.0m, down slightly on the prior year's £2.1m of revenue, and the Instrumentation segment was flat year-on-year at £0.9m.

***Gross profit***

The business delivered a gross profit of £6.5m (66%), compared with £6.7m (67%), excluding the impact of the DHSC settlement, in H1 2024.

***Operating expenditure***

Group operating costs decreased by £20.8m to £10.6m in H1 2025, compared with £31.4m in H1 2024, predominantly as a result of booking a £20.0m bad debt write-off following the settlement with the DHSC in 2024. As such, the underlying operating cost has reduced by £0.8m year-on-year.

Headcount at the end of June 2025 was approximately 230, a reduction from the position at year end of around 240.

***EBITDA***

The Group reported an EBITDA loss of £4.1m for H1 2025, compared with a loss of £5.0m in H1 2024. The loss has decreased by around 20%, which has been driven by further cost reductions resulting from closing a number of operational sites, whilst re-investing an element of those savings into R&D.

***Operating loss***

The Group reported an operating loss of £7.1m compared with a 2024 loss of £16.4m. Year-on-year, depreciation and amortisation charges have decreased by circa £1.0m, to £2.3m, predominantly resulting from a number of items being fully depreciated.

Net other operating expenses have decreased from £8.0m to £0.8m in H1 2025, as the 2024 results included costs associated with the DHSC dispute. The main items making up the H1 2025 charge are £0.7m of site closure costs including redundancy fees, £0.4m relating to a range of non-repeating items including litigation costs, offset by a one-off income of £0.3m relating to a historic VAT reclaim.

***Loss after tax from continuing operations***

The Group reported a loss after tax of £6.8m, compared with a loss of £17.0m in H1 2024. Other financial income and expenses netted to a £0.1m income compared with a £0.8m expense in H1 2024. The three key items making up the balance are i) a £0.1m net financial foreign exchange gain, mainly resulting from revaluations of bank and intercompany accounts held in foreign currencies (H1 2024: £1.1m net loss), ii) £0.3m of IFRS 16 lease interest (H1 2024: £0.4m), offset by iii) £0.4m interest income on deposits held in bank accounts (H1 2024: £0.7m), reflecting the reduced cash position year-on-year. The £0.3m taxation income is made up of the movement in the current and deferred tax position.

***Earnings per share***

The H1 2025 loss per share was £0.09 (H1 2024: £0.25 loss).

***Non-current assets***

Property, plant and equipment has reduced by £0.6m resulting from the disposal of equipment that is no longer required by the Group as we reduce the number of operational sites.

Other non-current assets have decreased by £1.2m to £16.4m at 30 June 2025, driven by the amortisation of intangible assets.

***Current assets***

Trade and other receivables have increased by £0.2m since December 2024, to £4.9m, as a result of higher revenue in May and June 2025 compared with November and December 2024.

Inventory has increased by £0.7m to £3.0m at 30 June 2025, to ensure that we meet current and future expected demand for our key products, including our newly launched LightBench® Discover instrument.

Tax receivables remain at circa £0.5m with the current balance relating to research and development tax claim accruals covering 2023, 2024 and 2025.

***Non-current liabilities***

Lease liabilities long-term have decreased by £0.6m, to £10.0m, driven predominantly by rental payments made in H1 2025.

Deferred tax liabilities on temporary timing differences predominantly relate to the assets acquired as part of the Yourgene acquisition in September 2023 and accelerated capital allowances. Deferred tax liabilities have decreased to £3.9m, from £4.4m in December 2024, in line with the reduction in intangible assets.

***Current liabilities***

Short-term lease liabilities have fallen by £0.3m since December 2024, to £1.0m, primarily as a result of surrendering two facility leases, as part of the site consolidation programme.

Other provisions and short-term liabilities have fallen slightly to £0.9m and includes the estimated cost (legal fees and penalty) of settling the Lab21 Health and Safety Executive legal case. On 11 September the court gave its final ruling on the matter and imposed a fine of £52k, which the company has now paid.

Trade and other liabilities increased from £3.8m to £4.8m at 30 June 2025, due to the timing of invoices received and paid.

***Cash flow***

Cash held at 30 June 2025 totalled £23.7m compared with £30.5m at 31 December 2024. Net cash used in operating activities was £5.5m for H1 2025, made up of a working capital outflow of £1.4m and an EBITDA loss of £4.1m, compared with a cash outflow of £9.1m in H1 2024.

Net cash used in investing activities reduced to £0.2m in H1 2025 compared to £1.1m in H1 2024, largely as a result of the contingent consideration (related to the Coastal Genomics acquisition) that was paid in H1 2024 not repeating in 2025. Capital expenditure reduced year-on-year, but this was offset by reduced interest income on our decreasing cash pile.

Net cash used in financing activities in H1 2025 totalled £1.1m compared with £0.9m in H1 2024, with the main cash outflow continuing to be lease payments.

The Group remains debt free at 30 June 2025.

# Consolidated income statement as at 30 June 2025

| Amounts in £'000 | (Unaudited) Six month 30 June 2025 | (Unaudited) Six month 30 June 2024 (*) |
|---|---|---|
| **Continuing Operations** | | |
| Revenue | 9,793 | 9,973 |
| Cost of sales | -3,286 | 16,455 |
| **Gross profit** | **6,507** | **26,428** |
| | | |
| Sales, marketing and distribution expenses | -2,795 | -2,968 |
| Research and development expenses | -2,043 | -1,332 |
| General and administrative expenses | -8,221 | -30,474 |
| Governmental subsidies | 173 | - |
| | | |
| **Operating loss before other operating income/expense** | **-6,379** | **-8,346** |
| | | |
| Other operating income | 328 | - |
| Other operating expenses | -1,092 | -8,036 |
| | | |
| **Operating loss after other operating income/expense** | **-7,143** | **-16,382** |
| | | |
| Financial income | 2,436 | 2,095 |
| Financial expense | -2,319 | -2,898 |
| | | |
| **Loss before tax** | **-7,026** | **-17,185** |
| | | |
| Tax income | 267 | 219 |
| | | |
| **Loss after tax from continuing operations** | **-6,759** | **-16,966** |
| | | |
| Profit / (loss) from discontinued operations | 417 | -733 |
| | | |
| **Loss after tax attributable to owners of the Company** | **-6,342** | **-17,699** |
| | | |
| Loss per share (£) | -0.09 | -0.25 |
| Diluted loss per share (£) | -0.09 | -0.25 |
| | | |
| Loss per share from continuing operations (£) | -0.10 | -0.24 |
| Diluted loss per share from continuing operations (£) | -0.10 | -0.24 |
| | | |
| Profit / (loss) per share from discontinued operations (£) | 0.01 | -0.01 |
| Diluted profit / (loss) per share from discontinued operations (£) | 0.01 | -0.01 |

(*) The H1 2024 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'.

**Breakdown of revenue by operating segment and geographic area**

- 6 month ended 30 June 2025

| Amounts in £'000 | Yourgene Health | Primer Design | Total |
|---|---|---|---|
| **Geographical area** | | | |
| United Kingdom | 1,732 | 448 | **2,180** |
| France | 988 | 95 | **1,083** |
| Europe (excluding UK and France) | 1,583 | 432 | **2,015** |
| America | 756 | 354 | **1,110** |
| Asia-Pacific | 2,168 | 707 | **2,875** |
| Middle East | 216 | 88 | **304** |
| Africa | 111 | 115 | **226** |
| **Total revenue** | **7,554** | **2,239** | **9,793** |

- 6 month ended 30 June 2024

| Amounts in £'000 | Yourgene Health | Primer Design | Total |
|---|---|---|---|
| **Geographical area** | | | |
| United Kingdom | 1,698 | 565 | **2,263** |
| France | 1,143 | 127 | **1,270** |
| Europe (excluding UK and France) | 1,413 | 391 | **1,804** |
| America | 965 | 415 | **1,380** |
| Asia-Pacific | 2,245 | 401 | **2,646** |
| Middle East | 240 | 91 | **331** |
| Africa | 86 | 193 | **279** |
| **Total revenue** | **7,790** | **2,183** | **9,973** |

**SUBSEQUENT EVENTS**

On 11 September 2025, a sentencing hearing took place in respect of legal proceedings brought against Lab21 Healthcare Ltd ("Lab 21"), a non-trading subsidiary of Novacyt, in relation to Lab 21's site based at Axminster, Devon for the use of biological agents at the site. As announced in March 2025, Lab 21 pleaded guilty at Exeter Magistrates Court to health and safety charges relating to the historical operation at the site, between June 2018 and April 2019. The court granted full recognition for an early guilty plea with Lab 21 being ordered to pay a penalty of £52k.