



NOVACYT

Half-yearly Activity Report

2026

Half-year financial statements ended 30 June

ACTIVITY REPORT

2026 BIENNIAL

HALF-YEARLY ACCOUNTS CLOSED ON 30 JUNE 2026

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

- Unaudited Group statutory revenue for H1 2026 is up 18% to £11.6m (H1 2025: £9.8m)
- Underlying Group revenue increased by c.9% (£0.8m) excluding the impact of revenue generated from Southern Cross Diagnostics (“SCD”), demonstrating continued organic growth across the business
- The Instrumentation segment delivered c. 30% year-on-year revenue growth, reflecting continued market adoption of the Company’s LightBench Discover platform
- The Clinical segment continued its strong momentum delivering more than 20% year-on-year revenue growth, driven by the Reproductive Health range of products and from the inclusion of SCD sales
- All geographic regions delivered year-on-year revenue growth:
 - Americas: >30% growth, driven primarily by strong instrument demand
 - Asia-Pacific: >20% growth, supported by continued demand for the Company’s reproductive health portfolio
- SCD contributed c. £1.8m of revenue during the period from acquisition on 2 March to 30 June 2026
- Group gross margin of the business dropped to 56% (H1 2025: 66%), impacted by SCD sales being dilutive (3% impact) and its associated fair value stock uplift adjustment (3% impact), and reduced year-on-year sales in Primer Design
- Opex costs continued to reduce to £10.3m from £10.6m, with further reductions expected in H2 following the conclusion of the workforce consultation process (as announced on 1 June 2026). Excluding the additional SCD costs underlying opex costs have reduced by £0.8m or 8%
- Group EBITDA loss before exceptional items reduced to £3.9m in H1 2026 (H1 2025: £4.1m loss), predominantly driven by cost saving initiatives implemented by the Group. The adjusted EBITDA is a loss of £3.6m when removing the impact of the SCD related stock uplift entry
- Cash position at 30 June 2026 was £8.9m (31 December 2025: £19.1m), and the Group remains debt free. Cash at the end of August 2026 was £7.6m, after £0.5m of restructuring fees

- Successfully completed a preferential subscription rights issue raising approximately €0.8m (£0.7m) gross

Operational Highlights (including post period-end)

- On 2 March Novacyt acquired SCD, a profitable Australian distributor which had worked with the Company for many years, for an initial cash consideration of AUD \$8.5m (£4.5m)
- In September the Group launched the In Vitro Diagnostic Regulation (IVDR)-certified Yourgene® Insight DPYD assay, expanding the Company's clinical genetics portfolio across regulated European markets
- Signed a Master Collaboration Agreement with Illumina for an initial five-year term

Restructuring Update

- On 1 June the Group announced it had commenced a consultation process with the workforce, with the aim of reducing its cost base by £4.0m annually. Good progress has been made and as at the end of September around £3.2m to £3.4m of annual savings have been identified.

Chief Executive's review

We are pleased to report a strong first half performance, with Group statutory revenue increasing by 18%, underpinned by continued growth across the business and the contribution from SCD, which we acquired in March 2026. Underlying Group revenue increased by approximately 9% excluding the contribution of SCD, demonstrating continued demand across our core Clinical and Instrumentation businesses.

Clinical

The Clinical segment continues to deliver, with revenue increasing by more than 20% year-on-year. Growth was driven by continued demand for the Company's reproductive health portfolio, together with the contribution from SCD. The acquisition of SCD has strengthened the Group's position in Australia and provides an established commercial infrastructure and customer base from which we expect to develop further opportunities for the Group's portfolio.

During the period, the Group continued to progress its Precision Medicine portfolio, including the development and commercialisation of its DPYD testing technology. Post period end, the Group launched the IVDR-certified Yourgene® Insight DPYD assay, expanding the Company's clinical genetics portfolio across regulated European markets. The assay is designed to support the identification of patients who may be at increased risk of severe adverse reactions to commonly used chemotherapy drugs.

Instrumentation

The Instrumentation segment delivered approximately 30% year-on-year revenue growth, reflecting continued market adoption of the Company's LightBench® Discover platform. The Group continues to see encouraging demand for LightBench® Discover, with a growing customer base and pipeline providing a platform for further growth. We remain focused on expanding the commercial reach of the product across our target markets.

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The RUO segment delivered sales of £1.8m for H1 2026, down 9% on H1 2025. This was due to disruption in traditional buying patterns for our RUO products, most notably from the Hantavirus and Ebola outbreaks. We responded quickly and developed products for both of these events. Demand related to Hantavirus declined as rapidly as it emerged, but we remain hopeful that our Ebola solution will soon be approved for use in Africa. As a result of these timing shifts, we are behind our year-to-date expectations, but we anticipate that buying patterns will normalise, and we will see an uplift in H2.

Operational progress and cost reduction

The workforce consultation process, announced in June 2026, was expected to deliver approximately £4.0m of annualised cost savings as part of the Group's strategy to reduce capital expenditure and overall costs. As of September 2026, the process has largely completed and approximately 60 staff have exited. This will deliver an annual cost reduction of circa £2.7m, with further labour savings expected and to be recognised in FY2027. From a non-labour cost perspective, we have implemented initiatives that should deliver £0.5m to £0.7m of annual savings, with further reductions being worked on.

Due to the recently announced collaboration with Illumina, a number of staff that were part of the consultation process, and part of the savings target, have been retained to ensure the successful delivery of the first statement of funded work.

Outlook

The Group enters the second half of the year with good momentum across its core businesses. Organic revenue growth remains encouraging, with strong demand for our Instrumentation and Clinical portfolios, while the acquisition of SCD provides an additional platform for growth in Australia and the wider Asia-Pacific region.

We remain focused on delivering sustainable organic growth, successfully integrating and leveraging the SCD acquisition, and completing the transformation of the Group's cost base. The material reduction in the cost base as a result of the restructuring programme, combined with continued revenue growth and disciplined investment, will significantly strengthen the Group's operating leverage.

We remain confident in the long-term prospects of the Group and believe that the actions taken over the past couple of years have created a stronger, more focused business with a clear pathway towards sustainable organic growth. The Board remains focused on executing the strategy and delivering further growth from our existing portfolio.

FINANCIAL REVIEW

Overview

Novacyt's H1 2026 performance delivered sales of £11.6m, an EBITDA loss of £3.9m and a loss after tax of £5.8m, continuing the year-on-year reduction in losses. Novacyt acquired SCD in March 2026, a profitable Australian distributor business that has contributed to improvements in both top and bottom-line results.

As a result of the acquisition accounting, we are releasing the fair value stock uplift adjustment each month which totalled £0.3m in H1, diluting the gross margin by 3%. Excluding this would result in an adjusted EBITDA of £3.6m. This is a non-cash impacting item.

The year-on-year organic growth was pleasing as a result of a number of new product launches which has allowed us to scale back on R&D expenditure sooner than initially anticipated, and we will see a further opex reduction in H2 of this year, with the full annualised benefit being seen in 2027.

Cash at 30 June 2026 was £8.9m, providing the Group with a solid foundation on which to build and execute its future strategy.

Southern Cross Update:

SCD delivered sales of £1.8m for the period March to June (four months) at a gross margin of 41% and an EBITDA of £0.2m.

Sales are slightly behind the prior year run rate due to the known loss of a key customer and the winter weather in Australia being warmer than normal thus reducing sales of flu related products. Management expects revenue to pick-up as a result of new customer acquisitions and new product offerings.

Revenue

Revenue for H1 2026 totalled £11.6m, compared with £9.8m in H1 2025, representing an 18% year-on-year growth.

There were differing levels of performance within the Group portfolio, with the Clinical segment performing well and delivering sales of £8.5m, including SCD sales. Following the launch of the Lightbench Discover in H2 2025, the Instrumentation segment grew by circa 30% to £1.3m, from £0.9m, and the RUO segment delivered sales of £1.8m, down 9% on the prior year.

Gross profit

The business delivered a gross profit of £6.4m (56%), compared with £6.5m (66%) in H1 2025. The 10% decline in margin year-on-year is driven by three main items; i) SCD sales which are at a typical distributor margin (circa 40%) diluting the Group margin, ii) release of the stock uplift adjustment related to the fair value of stock acquired as part of the acquisition of SCD, which is a non-cash impacting item and will cease once all acquired stock is sold, which we expect to have occurred by the end of 2026, and iii) reduced sales in Primer Design which generates a margin of over 80%.

Operating expenditure

Group operating costs decreased by £0.3m to £10.3m in H1 2026, compared with £10.6m in H1 2025. However, the H1 2026 figures include circa £0.5m of SCD costs that were not present in 2025. As such, the underlying operating cost has reduced by £0.8m, or 8%.

Headcount at the end of June 2026 was approximately 228, which includes 12 staff supporting the SCD business.

EBITDA & Adjusted EBITDA

The Group reported an EBITDA loss of £3.9m for H1 2026, compared with a loss of £4.1m in H1 2025.

The adjusted EBITDA is a loss of £3.6m when removing the impact of the SCD related stock uplift entry.

Operating loss

The Group reported an operating loss of £5.1m, which is a material reduction (over 25%) compared with a H1 2025 loss of £7.1m. Year-on-year, depreciation and amortisation charges have decreased by circa £1.2m, to £1.1m, predominantly as a result of fully impairing the remaining goodwill and intangible assets associated with the Yourgene Health acquisition at the end of 2025.

Net other operating expenses have decreased from £0.8m to £0.1m in H1 2026, with restructuring costs of £0.2m being the main item making up the H1 2026 charge.

Loss after tax from continuing operations

The Group reported a loss after tax from continuing operations of £5.7m, compared with a loss of £6.8m in H1 2025. Other financial income and expenses netted to a £0.7m expense compared with a £0.1m income in H1 2025. The three key items making up the balance are i) a £0.5m net financial foreign exchange loss, mainly resulting from revaluations of bank and intercompany accounts held in foreign currencies (H1 2025: £0.1m net gain), ii) £0.3m of IFRS 16 lease interest (H1 2025: £0.3m), offset by iii) £0.1m interest income on deposits held in bank accounts (H1 2025: £0.4m), reflecting the reduced cash position year-on-year. The £0.1m taxation income is made up of the movement in the current and deferred tax position.

Earnings per share

The H1 2026 loss per share was £0.08 (H1 2025: £0.09 loss).

Acquisition of Southern Cross Diagnostics Pty Ltd

On 2 March 2026, Novacyt UK Holdings Limited, a wholly-owned subsidiary of Novacyt SA, completed the purchase of the entire share capital of Southern Cross Diagnostics Pty Ltd, a profitable Australian distributor of diagnostic and life science products.

The initial purchase price was AUD 8.5m (£4.5m), and was settled in full in cash, with an earn-out of up to AUD 16.5m (£8.7m) available over a four-year period. The acquisition-date fair value of this contingent consideration was estimated at AUD 1.9m (£1.0m) using a probability-weighted expected value model, resulting in total consideration of AUD 10.4m (£5.5m).

IFRS 3 provides for a period of 12 months from acquisition to complete the identification and measurement of the fair value of assets acquired and liabilities assumed. This means that the gross amount of goodwill and other intangible assets are subject to adjustment until March 2027. As these interim accounts are unaudited these figures reflect the best estimates of Management and will be verified by our auditor Deloitte, as part of the annual year end audit process.

Non-current assets

Goodwill has increased to £4.4m from £2.2m at 31 December 2025, as a result of the inclusion of goodwill attributable to SCD.

Property, plant and equipment has reduced by £0.3m to £1.2m at 30 June 2026 resulting from the disposal of equipment that is no longer required by the Group as we reduced the number of operational sites.

Other non-current assets have increased by £3.3m to £4.7m at 30 June 2026, as a result of the inclusion of intangibles assets attributable to SCD, the largest being customer relationships.

Current assets

Inventory has increased by £2.0m to £4.5m at 30 June 2026, due to the inclusion of inventory acquired as part of the SCD acquisition.

Trade and other receivables were broadly flat at £4.7m. However, within this balance, trade receivables have increased slightly since December 2025 due to the inclusion of SCD receivable balances, offset by a reduced VAT receivable due to the timing of VAT repayments received from HMRC in the UK.

Non-current liabilities

Lease liabilities long-term have decreased by £0.4m, to £9.2m, driven predominantly by rental payments made in H1 2026.

Deferred tax liabilities have increased by £0.8m, to £0.9m, predominantly as a result of booking a £0.8m deferred tax liability on temporary timing differences relating to the assets acquired as part of the SCD acquisition.

The contingent consideration balance has increased from nil to £0.9m. The balance relates to the possible deferred consideration associated with the SCD acquisition and will be settled upon achievement of certain EBITDA targets over a four-year period. A probability-weighted expected value model was used to estimate the expected earn-out.

Other provisions and long-term liabilities have increased slightly by £0.1m, to £1.6m, due to the inclusion of SCD related provisions.

Current liabilities

Short-term lease liabilities have increased by £0.2m since December 2025, to £1.0m, as a result of the acquisition of SCD and its associated facility leases.

Trade and other liabilities have increased slightly to £4.9m since December 2025 due to the inclusion of SCD liabilities. The mix has also changed due to the timing of invoices received and paid.

Cash flow

Cash held at 30 June 2026 totalled £8.9m compared with £19.1m at 31 December 2025. Net cash used in operating activities was £4.6m for H1 2026, made up of a working capital outflow of £0.7m and an EBITDA loss of £3.9m, compared with a cash outflow of £5.5m in H1 2025.

Net cash used in investing activities increased to £5.4m in H1 2026 compared to £0.2m in H1 2025, as a result of the acquisition of SCD.

Net cash used in financing activities in H1 2026 totalled £0.2m compared with £1.1m in H1 2025. The main items include lease payments totalling £0.7m, offset with the net proceeds from the successful rights raise.

The Group remains debt free at 30 June 2026.

Consolidated income statement as at 30 June 2026

Amounts in £'000	(Unaudited) Six month 30 June 2026	(Unaudited) Six month 30 June 2025
Continuing Operations		
Revenue	11,557	9,793
Cost of sales	-5,119	-3,286
Gross profit	6,438	6,507
Sales, marketing and distribution expenses	-2,862	-2,795
Research and development expenses	-2,116	-2,043
General and administrative expenses	-6,436	-8,221
Governmental subsidies	16	173
Operating loss before other operating income/expense	-4,960	-6,379
Other operating income	107	328
Other operating expenses	-252	-1,092
Operating loss after other operating income/expense	-5,105	-7,143
Financial income	1,221	2,436
Financial expense	-1,928	-2,319
Loss before tax	-5,812	-7,026
Tax income	99	267
Loss after tax from continuing operations	-5,713	-6,759
(Loss) / profit from discontinued operations	-81	417
Loss after tax attributable to owners of the Company	-5,794	-6,342
Loss per share (£)	-0.08	-0.09
Diluted loss per share (£)	-0.08	-0.09
Loss per share from continuing operations (£)	-0.08	-0.10
Diluted loss per share from continuing operations (£)	-0.08	-0.10
(Loss) / profit per share from discontinued operations (£)	-0.00	0.01
Diluted (loss) / profit per share from discontinued operations (£)	-0.00	0.01

Breakdown of revenue by operating segment and geographic area

◦ 6 months ended 30 June 2026

Amounts in £'000	Yourgene Health	Primer Design	Southern Cross	Total
Geographical area				
United Kingdom	2,044	438	-	2,482
France	926	66	-	992
Europe (excluding UK and France)	1,848	346	-	2,194
America	1,133	341	-	1,474
Asia-Pacific	1,732	265	1,842	3,839
Middle East	94	232	-	326
Africa	100	150	-	250
Total revenue	7,877	1,838	1,842	11,557

◦ 6 months 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

SUBSEQUENT EVENTS

There are no subsequent events to report.