

NOVACYT GROUP

2023 Full Year Results

30 May 2024

Presenters



Lyn Rees, Chief Executive Officer

- CEO of Novacyt Group since 1 May 2024
- 6 years as CEO of Yourgene Health
- Drove the acquisition of Elucigene Diagnostics and Coastal Genomics and the fundraising to underpin
- Prior to joining Yourgene, was Group CEO at British Biocell International (now BBI Group) for over 9 years.
- Completed 7 acquisitions during his tenure at BBI Group

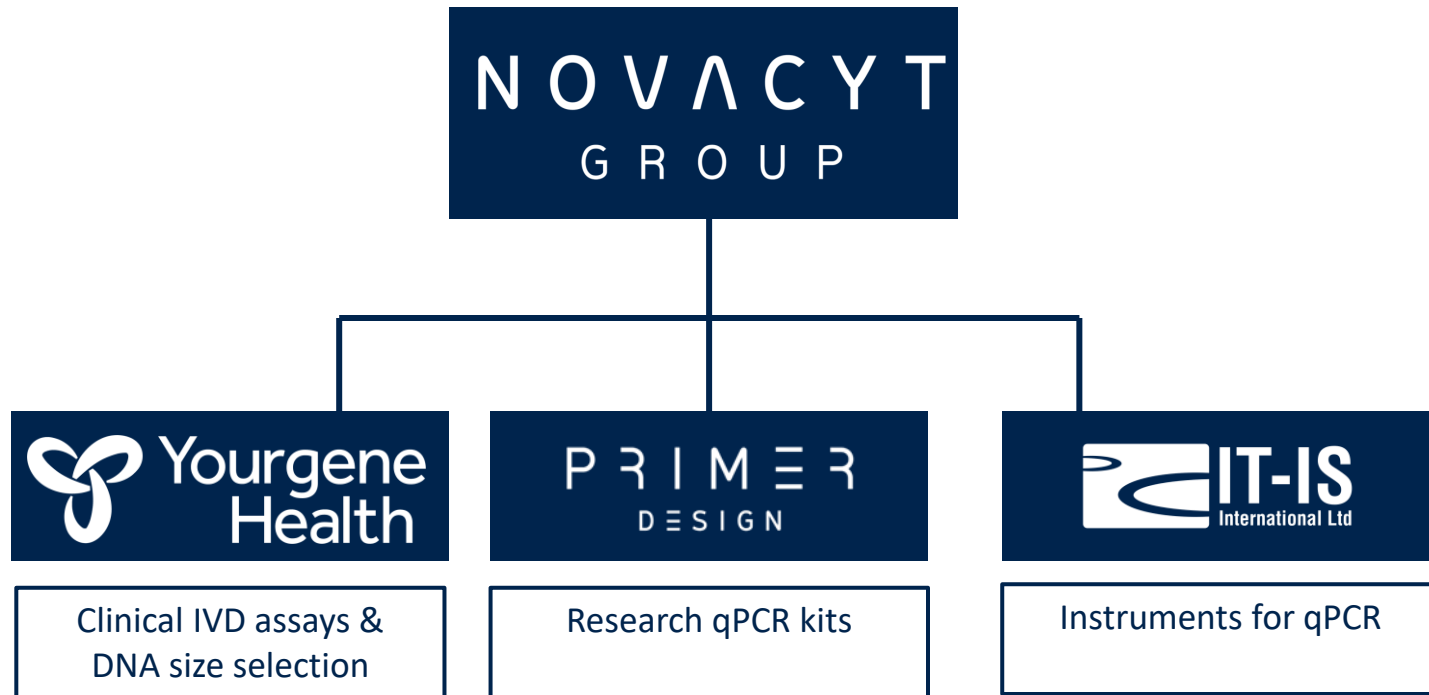


Steve Gibson, Chief Financial Officer

- Joined Novacyt in 2017
- Group Finance Director since February 2020, CFO since January 2024
- Over 12 years in financial management at a globally recognised blue-chip, technology company
- Broad commercial and international experience, including IPO
- CIMA qualified over 15 years

What we do

International molecular diagnostics company with a growing portfolio of clinical assays, instrumentation and research tools. With deep focus and expertise across reproductive health, precision medicine and infectious disease.



Human Health: Reproductive Health – Precision Medicine – Infectious Disease

Non-human applications: Veterinary & Animal health - Food, Water & Agriculture - Plant Genomics

Novacyt Group

Established global footprint



Locations:

- UK - Manchester – Southampton – Stokesley
- Miami, USA
- Taipei, Taiwan
- Singapore
- Canada
- Commercial presence in over 65 countries



Headquartered in Vélizy in France

Listed on the:

- London Stock Exchange's AIM market ("NCYT")
- Paris Stock Exchange Euronext Growth ("ALNOV")



- Novacyt Group employs 243 globally



2023 Audited Full Year Results



Operational highlights



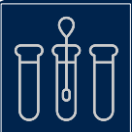
Business Development

- Strategic acquisition of Yourgene Health
- Yourgene became a compatible partner of PacBio



Strengthened Board

- Lyn Rees, CEO
- Steve Gibson, CFO
- Dr Jo Mason, CSO
- John Brown, Non-Executive Director



IVDR Certification

- Received accreditation for DPYD genotyping assay
- Submitted application for Cystic Fibrosis (QF-PCR) test



Product Development

- MagBench™ automated DNA extraction platform for NIPT workflows
- Primerdesign Co-Prep automated DNA/RNA extraction
- Primerdesign complete assays/mastermix reagents

2023 Audited –Income Statement

Continuing operations	2023	2022
	£'000	£'000
Revenue	11,579	21,040
Gross profit	3,730	5,746
Gross profit %	32%	27%
OPEX	(17,424)	(19,286)
EBITDA	(13,694)	(13,540)
EBITDA %	-118%	-64%
Recurring operating (loss) / profit	(17,847)	(15,655)
Operating loss	(29,516)	(23,393)
Other financial income and expenses	948	3,340
Tax income / (expense)	768	(2,148)
Loss after tax from continuing operations	(27,800)	(22,201)
Loss from discontinued operations	(492)	(3,529)
Loss after tax attributable to the owners	(28,292)	(25,730)

- ❖ Group revenue totalled £11.6m in line with guidance, following decline in COVID-19-related sales
- ❖ Group gross margin increased to 32% (£3.7m), due to COVID-19 stock write offs
- ❖ Group operating costs fell by circa 10% to £17.4m, driven by the Group-wide restructuring programme
- ❖ Group EBITDA loss broadly flat at £13.7m before exceptional items
- ❖ £11.7m of exceptional costs includes £5.8m of impairment charges (goodwill & intangible assets)
- ❖ Loss after tax increased to £28.3m

2023 Audited - Statement of Financial Position

Assets	Dec-23	Dec-22	Equity and Liabilities	Dec-23	Dec-22
	£'000	£'000		£'000	£'000
Goodwill	21,446	6,646	Share capital and premium	54,586	54,633
Right-of-use assets	11,036	521	Retained earnings and reserves	32,656	60,583
Property, plant and equipment	4,183	2,751	Total equity	87,242	115,216
Deferred tax assets	413	624			
Other non-current assets	10,289	3,121	Lease liabilities long-term	12,495	263
Total non-current assets	47,367	13,663	Deferred tax liabilities	2,241	1,041
			Contingent consideration long-term	722	-
Inventories	3,022	3,027	Other provisions and long-term liabilities	1,550	145
Trade and other receivables	36,034	33,662	Total non-current liabilities	17,008	1,449
Tax receivables	728	1,149			
Other current assets	2,610	2,427	Lease liabilities short-term	1,209	609
Cash and cash equivalents	44,054	86,973	Trade and other liabilities	7,183	2,787
Total current assets	86,448	127,238	Tax liabilities	65	-
			Contingent consideration short-term	193	-
			Other provisions and short-term liabilities	20,915	20,840
			Total current liabilities	29,565	24,236
Total Assets	133,815	140,901	Total Equity and Liabilities	133,815	140,901

- ❖ Year-on-year movements predominantly driven by the inclusion of Yourgene assets & liabilities
- ❖ £19.3m of goodwill created as a result of the Yourgene Health acquisition
- ❖ ROU assets and lease liabilities increase driven by long-term leases in the UK
- ❖ Cash position was £44.1m, as a result of the Yourgene Health acquisition
- ❖ The Group remains debt free

Trading update: January-April 2024

- ❖ Group revenue totalled £6.9m, 73% of sales generated by Yourgene Health
- ❖ Completed actions that will deliver annual cost reductions of over £4.0m
- ❖ Continue to look at further opportunities to right size the cost base of the Group
- ❖ Cash at the end of April was £36.3m
 - ❖ Cash outflow of £7.8m in the first four months of 2024, including c. £3.3m of exceptional items

Integration update



Integration update

- ✓ Utilising the strengthened expertise within the combined leadership team
- ✓ Broader technology portfolio, with a stronger end-to-end customer offering
- ✓ Enhanced routes to market in Europe, Asia and the Americas
 - Rationalised, high quality distribution network
- ✓ Refocused Primer Design business on the RUO market
- ✓ Successfully completed the integration of all key operational departments
 - Expanded expertise, combining complementary skills in molecular biology and instrumentation
 - Commercial teams have full access to the wider product portfolio
- ✓ Eliminated a number of duplicate corporate functions
- ✓ Strong balance sheet to accelerate growth of key areas, particularly NIPT, Ranger® Technology and Precision Medicine
- ✓ On track to deliver £5m of annualised cost savings by the end of 2024

Business reorganisation

Clinical

IVD products, workflows
and services

Reproductive Health:

- NIPT
- Cystic Fibrosis
- Other rapid aneuploidy tests

Precision Medicine

- DPYD genotyping assay

Infectious Diseases:

- Winterplex, multiplex PCR panel

Instrumentation

DNA size selection and
rapid PCR

Ranger® Technology

- Next generation size selection for cell-free DNA
- Automated DNA sample preparation
- Target enrichment

MyGo

- Real-time quantitative PCR (qPCR) instruments

Research Use Only

High-performance qPCR assays
and workflows

- Human health
- Agriculture, food & water
- Animal health/veterinary
- Environmental

Pharmaceutical research services

- Whole genome sequencing (WGS)
- Whole exome sequencing (WES)

Targeting large and growing addressable markets

Reproductive Health

NIPT

- Favourable national reimbursement policies
- National routine screening
- Patient demand for accurate and reliable early prenatal screening methods
- Market demand for democratisation of local testing

Cystic Fibrosis

- Increased prevalence and rising awareness
- Approval of new drugs
- Development of gene therapies
- Health screening and reimbursement

Precision Medicine

DPYD screening

- c.2m patients p/a treated with fluoropyrimidine chemotherapy
- 10-30% suffer severe side effects associated with DPD deficiency
- Uptake driven by:
 - Government reimbursement programmes
 - Introduction into cancer care clinical pathways
 - FDA drug label changes in USA
- Future opportunities include genomic oncology testing where there is a growing shift towards personalised medicine

Ranger® Technology

- Opportunities across multiple markets
- Addresses key industry challenges:
 - Sample preparation and purity
 - High volume requirements for gene synthesis
- Proven capability with multiple gene sequencing platforms

Strategy and growth drivers

Current Progress

Future milestones

Drive global sales

- New NIPT laboratory customers across Europe, Asia and South America
- Launched MagBench™ in APAC / Middle East
- Strong growth of cystic fibrosis portfolio in Australia

- Growth of NIPT, CF and DPYD with increased adoption of screening
- Consumable uptake for Ranger® customers

Rebuild RUO business

- Catalogue of 1200+ assays
- Delivered 500+ custom assays
- Nine new genesig™ multiplex products
- New range of complete assays / mastermixes

- Norovirus RUO assay (Q2 2024)
- Growing pipeline in animal diagnostics and aquaculture
- Greater adoption of human health assays
- Custom assay portfolio growth

R&D

- Received accreditation DPYD genotyping assay
- Submitted application for Cystic Fibrosis (QF-PCR) test

- IVDR Accreditation for cystic fibrosis test
- Expanding reproductive health and precision medicine portfolios

BD Partnerships

- Co-marketing agreement with PacBio for Ranger® Technology
- Ongoing collaborations with key institutions

- Development of stronger dataset with new use cases
- Uptake from PacBio customer base for LightBench® and other partners

Laying the foundations for future growth



International molecular diagnostics company with deep focus and expertise across reproductive health, precision medicine and infectious disease



Acquisition of Yourgene Health enhanced the Group's global diagnostics capabilities and added scale and diversification



Group now has a broader technology portfolio, with a stronger end-to-end customer offering, enhanced routes to market, expanded skills and expertise in our R&D and commercial teams



Benefitting from early synergies, with initial £5m cost savings to be realised by end of 2024



Strategic investment internally in R&D and our commercial strength key to achieving long-term growth

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