

NOVACYT



2023 Interim Results

28 September 2023

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Presenters



James McCarthy
Acting Chief Executive Officer

- Acting CEO since November 2022
- Appointed CFO of Novacyt in 2021
- Over 30 years in international manufacturing and industrial businesses in both consumer and B2B
- CFO in both Private Equity and public businesses
- FCCA qualified over 30 years with broad commercial, supply chain and M&A experience



Steve Gibson
Group Finance Director

- Joined Novacyt in 2017
- Group Finance Director since February 2020
- 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



Lyn Rees
Executive Director

- CEO of Yourgene Health since July 2018
- Over 27 years experience in global healthcare and IVD
- 18 years with BBI Group, CEO for nine years
- Expertise in executing organic and acquisitive growth initiatives including product diversification and international commercialisation

2023 Unaudited Interim Results



Good strategic progress



Business Development

- Strategic acquisition of Yourgene Health plc
- Exclusive agreement with Eluceda to develop biosensor technology



Growth of Instrumentation

- Instrument Sales posted 65% growth in Q2 versus Q1
- Launched Co-Prep extraction system



IVDR Portfolio Development

- Completed development of nine new multiplex RUO assays
- Verification and validation under UKCA initiated for two products, to complete during Q4
- On target to complete Winterplex clinical trial by end 2023



Geographic Expansion

- Partnership with global fisheries company for North America and UK
- Livestock testing in LATAM
- Dengue tenders in emerging markets

H1 2023 unaudited – Income statement

Non-COVID-19 revenue continues to build

Continuing Operations*	H1 2023 £'000	H1 2022 £'000
Revenue	3,339	16,508
Gross profit	1,665	4,010
Gross profit %	50%	24%
OPEX	(7,040)	(11,148)
EBITDA	(5,375)	(7,138)
EBITDA %	<i>n.m.</i>	<i>n.m.</i>
Recurring operating loss **	(6,534)	(8,179)
Operating loss	(8,396)	(8,712)
Other financial income and expenses	83	1,628
Income tax credit	174	2,041
Loss after tax from continuing operations	(8,139)	(5,043)
Loss from discontinued operations	(209)	(3,656)
Loss after tax attributable to the owners	(8,348)	(8,699)

* Following the 28 April 2022 announcement where Novacyt notified its intention to close Microgen Bioproducts and Lab21 Healthcare, the net results of the Lab21 Products segment have been reported on a separate line 'Loss from discontinued operations' in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations".

** H1 2023 recurring operating loss is stated before £1.9m of non-recurring charges as follows:

1. £0.8m acquisition related expenses.
2. £0.6m costs in relation to the ongoing DHSC contract dispute.
3. £0.5m restructuring expenses.

- Group revenue for H1 2023 of £3.3m, (H1 2022: £16.5m), due to expected decline in COVID-19-related sales.
- Group gross margin increased to 50% (£1.7m) (H1 2022: 24% (£4.0m)), due to lower stock write offs.
- Group operating costs fell by £4.1m, to £7.0m, driven by Group-wide restructuring programme.
- Group EBITDA loss reduced to £5.4m before exceptional items (H1 2022: £7.1m loss).
- Exceptional costs include acquisition related fees.
- Loss after tax reduced to £8.3m (H1 2022: £8.7m loss).

H1 2023 unaudited statement of financial position

Cash position remains strong

	Jun-23 £'000	Dec-22 £'000		Jun-23 £'000	Dec-22 £'000
Goodwill	6,482	6,646	Share capital and premium	54,601	54,633
Right-of-use assets	361	521	Retained earnings and reserves	52,709	60,583
Property, plant and equipment	2,242	2,751	Total equity	107,310	115,216
Deferred tax assets	527	624			
Other non-current assets	2,679	3,121	Deferred tax liabilities	893	1,041
Total non-current assets	12,291	13,663	Lease liabilities long-term	219	263
			Other provisions and long-term liabilities	175	145
Inventories	2,459	3,027	Total non-current liabilities	1,287	1,449
Trade and other receivables	33,272	33,662			
Tax receivables	608	1,149	Lease liabilities short-term	170	609
Other current assets	1,784	2,427	Trade and other liabilities	2,959	2,787
Cash and cash equivalents	81,734	86,973	Other provisions and short-term liabilities	20,422	20,840
Total current assets	119,857	127,238	Total current liabilities	23,551	24,236
TOTAL ASSETS	132,148	140,901	TOTAL EQUITY AND LIABILITIES	132,148	140,901

- Cash position at 30 June was £81.7m (FY 2022: £87.0m). The Group remains debt free.
- Working Capital (excluding cash) fell by £1.4m, to £14.6m (FY 2022: £16.0m).
- Capital expenditure in H1 2023 was £0.2m (FY 2022: £0.4m). This reflects the normalised run-rate for the business after increased investment throughout the COVID-19 pandemic.



An Introduction to Yourgene

Yourgene: Integrated technologies and services for genomic medicine

- Develop, manufacture, and commercialise simple and accurate molecular diagnostic and screening solutions, for reproductive health and precision medicine
- Complementary portfolio of *in vitro* diagnostic products includes non-invasive prenatal tests (NIPT) for Down's Syndrome and other genetic disorders, Cystic Fibrosis screening tests, invasive rapid aneuploidy tests and DPYD genotyping assays.
- First established in 2013, and has grown from a single product UK-based NIPT company to an international molecular diagnostics company



Headquartered in Manchester, UK with offices in Singapore, the US and Canada



2022 FY revenues of £37.6M*



150 employees

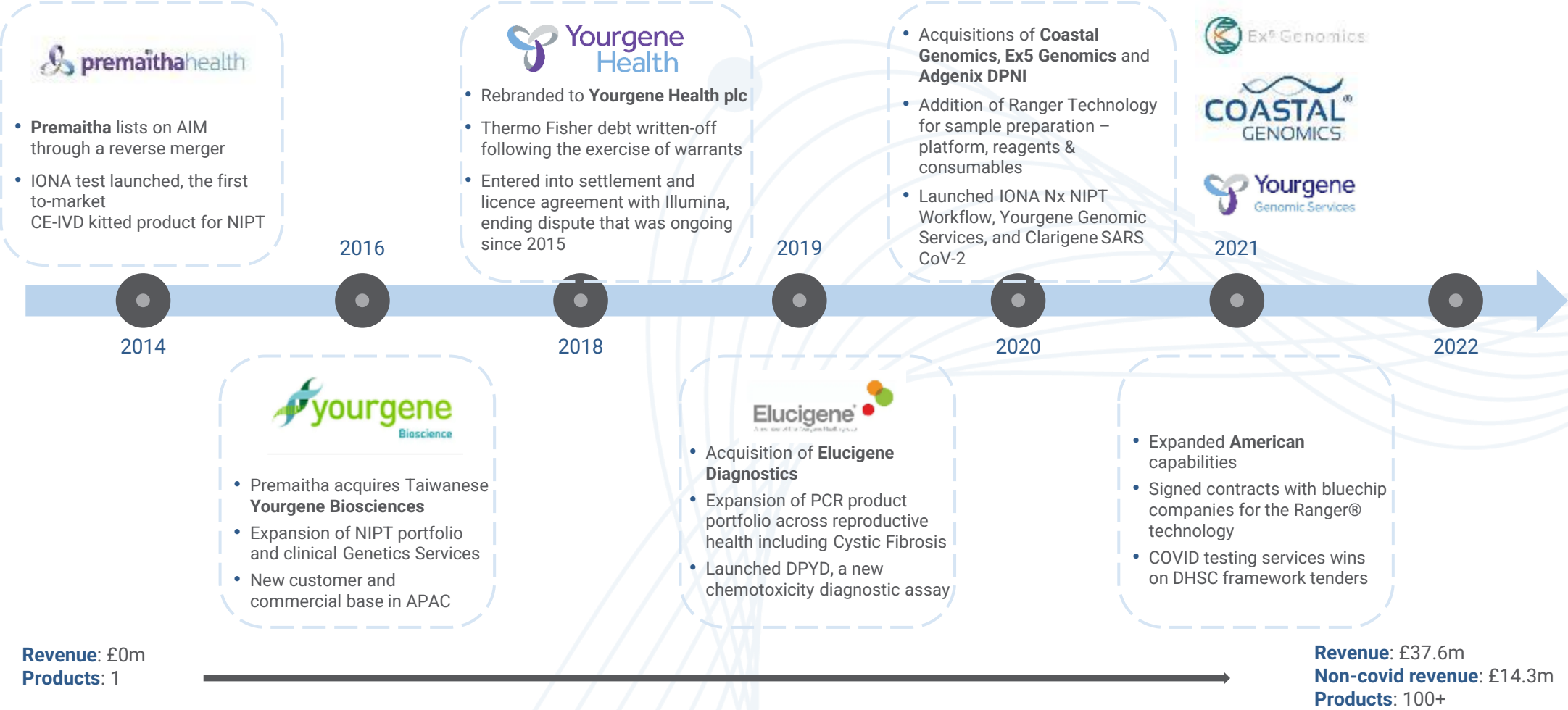


100+ complementary products and services



Customers in over 65 countries

From a single product UK-based NIPT business to a leading international molecular diagnostics player



Complementary suite of disruptive genomic products and services



Genomic Technologies: *In vitro diagnostic products*

- CE-marked IVD products for reproductive health, precision medicine and infectious disease screening



Genomic Technologies: *Sample preparation and analysis tools*

- Portfolio of innovative automated DNA sample preparation platforms, powered by Ranger® Technology



Genomic Services

- Accredited clinical services in Oncology and Reproductive Health to help guide decisions about abnormalities, hereditary risk and treatment
- Supporting novel insights in research and discovery

Genomic Technologies Genomic Services

Target enrichment: Ranger® Technology

Research: • WGS/WES for pharma

Precision medicine

Clinical oncology

Core expertise:
-Cell-free DNA
-Sequencing
-Sample prep
-Bioinformatics

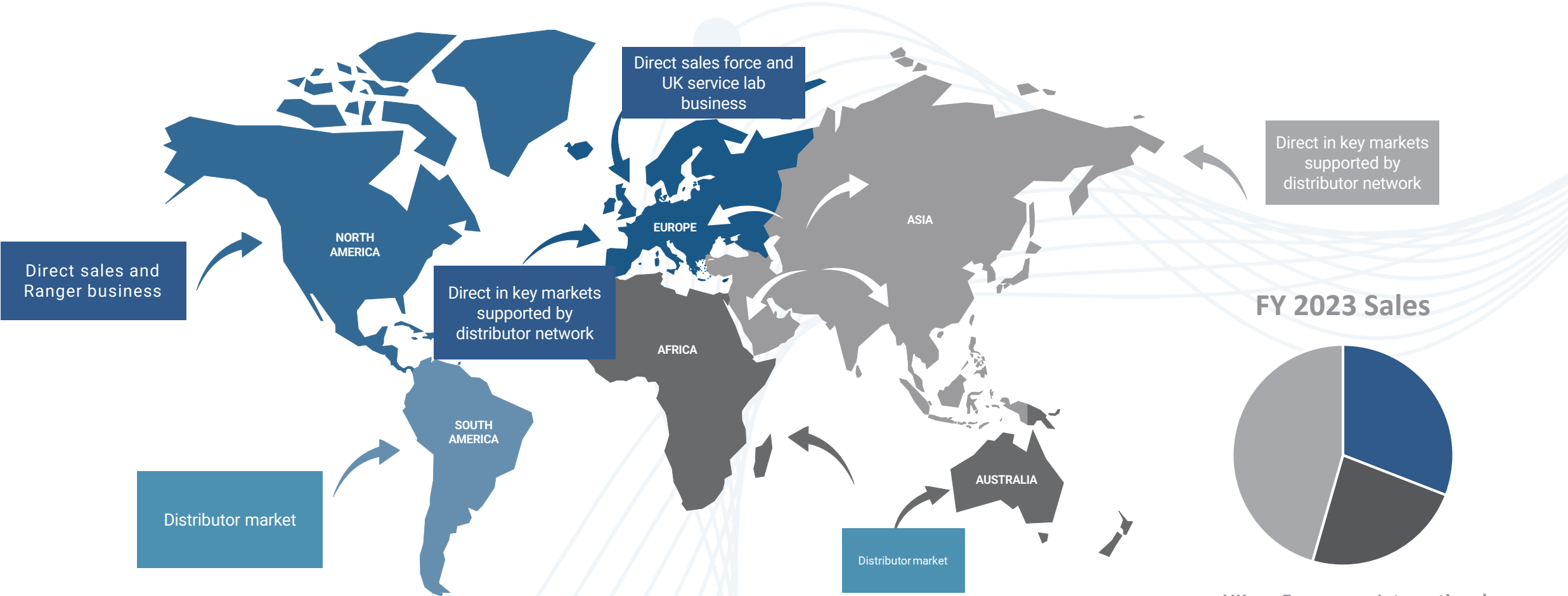
NIPT

Pharmacogenomics / Precision medicine

Reproductive health

Reproductive health

Established international customer base



Direct in key markets supported by distributor network

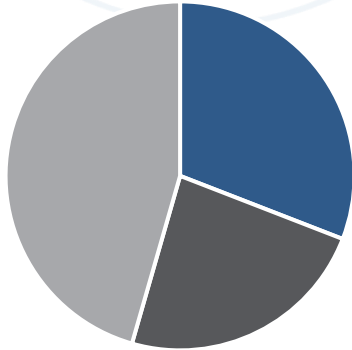
Direct sales and Ranger business

Direct in key markets supported by distributor network

Distributor market

Distributor market

FY 2023 Sales



■ UK ■ Europe ■ International

Yourgene sales update

- Unaudited revenue for FY22/23 (April 2022 to March 2023) totals £19.1m (including £2.1m of COVID-19 sales)
- Ranger® Technology product revenues have grown by over 100% to £2.3m
- NIPT service and product revenues rose by over 20% to £8.6m
- International sales increased by over 50%
- Unaudited sales for the period Jan 2023 to June 2023 total £9.1m (including £0.5m of COVID-19 sales)





Combined Group

A stronger global diagnostics business

Our combined strengths enhance our market position

New expanded Group builds a *stronger global diagnostics business* with key strategic growth drivers:



Expands our combined geographic commercial footprint



Enables further market penetration and accelerates new market entries



Creates portfolio diversification to support long-term sustainable growth



Creates a more robust and sustainable operating model to better serve partners and customers

Key objectives of integration over the next six months:

1

Secure and underpin core revenue growth in the Yourgene portfolio

2

Leverage commercial expertise in combined business to accelerate growth of Novacyt portfolio and identify synergies

3

Harmonise Group organisation with a clear and unified business purpose and engaged employees

4

Effective group wide communication throughout the combined organisation

5

A clear growth strategy and compelling investment case

Focussed on delivering long-term sustainable growth

- Acquisition of Yourgene Health was a significant strategic milestone
 - Integration plans underway to leverage combined capabilities to accelerate growth and drive efficiencies and synergies
 - Expect to share progress on Integration at the next Trading update (end January 2024)
 - Taiwan divestment expected to complete by year end
- FY 2023 revenue guidance of £10m–£13m
- Expanded portfolio of multiplex assays, focus on UKCA IVD certification with two expected to be available for clinical use in H1 2024
- Non-COVID-19 revenue continues to build
- Focus remains on creating a leading global clinical diagnostics company

Q&A

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