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Novacyt S.A.
26 September 2024

Novacyt S.A.
("Novacyt", the "Company" or the "Group")

2024 Interim Results

Foundations in place to deliver future growth

Paris, France, and Eastleigh and Manchester, UK - 26 September 2024 -Novacyt S.A. (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international molecular diagnostics company with a broad portfolio of integrated technologies and services, announces its unaudited interim results for the six-month period ended 30 June 2024.

Financial highlights (unaudited)

- Group revenue for H1 2024 of £10.3m, of which £7.8m relates to Yourgene Health ("Yourgene"), (H1 2023*: £3.3m, of which £0.5m relates to COVID-19)
- H1 2023 proforma revenue, excluding COVID-19 sales: £11.4m
- Encouraging growth in Reproductive Health (34% YoY increase on a proforma basis) and Non-Invasive Prenatal Testing ("NIPT") (5% YoY increase on a proforma basis)
- Group gross profit increased to £26.5m in H1 2024 (H1 2023*: £1.7m) due to the reversal of a £19.8m product warranty provision following the settlement with the Department of Health and Social Care ("DHSC")
- Underlying gross margin of the business increased to 65%
- Group operating costs increased to £32.1m in H1 2024 due to booking a £20m bad debt write-off following the settlement with the DHSC (H1 2023*: £7.0m)
- Underlying opex cost of £12.1m compared with a proforma H1 2023 opex cost of circa £14.7m, reflecting £5.0m annualised cost savings made following acquisition of Yourgene
- Group EBITDA loss before exceptionals of £5.6m in H1 2024, of which £0.2m is as a result of the DHSC settlement (H1 2023*: £5.4m)
- Exceptional costs totalling £8.1m include the £5.0m settlement to the DHSC (paid in July post period), resulting in the loss after tax increasing to £17.7m in H1 2024 (H1 2023*: £8.3m)
- Cash position at 30 June 2024 was £32.9m (31 December 2023: £44.1m) and the Company remains debt free

*excludes any Yourgene results as pre-acquisition

Operational Highlights (including post period-end)

- Lyn Rees appointed Chief Executive Officer following a six-year tenure as CEO of Yourgene Health plc,bringing over 28 years' global healthcare leadership and commercial experience
- Steve Gibson appointed CFO, and joined the Board along with Dr Jo Mason, CSO
- John Brown CBE appointed Chairman of the Board (as announced today)
- Settled dispute with the DHSC, and successfully reclaimed £12.2m in VAT from HMRC relating to unpaidDHSC invoices resulting in cash position at 31 August of £36.6m
- IVDR certification: submitted application for Yourgene Cystic Fibrosis *Base,* our Amplification Refractory Mutation System PCR (ARMS-PCR) test. Submitted application for Yourgene QST*Base* Rapid Aneuploidy Analysis test using quantitative fluorescence PCR (QF-PCR)
- Launched real-time PCR workflow for rapid onsite detection of norovirus in oysters
- Completed disposal of Taiwanese laboratory business

Commenting on the results Lyn Rees, CEO of Novacyt, said:*"We made good progress during first half of 2024, which saw encouraging growth in our Reproductive Health and NIPT businesses and the delivery of £5.0m of annualised cost savings. Whilst the continued reduction of our cost base remains our core priority, we are also investing for the future and bolstering our R&D team who are developing an exciting pipeline of new products, to expand our capabilities and meet the needs of our growing customer base, which we expect to bring to market over the next three years.*

"The conclusion of the DHSC dispute has enabled the management to focus on driving the growth of the combined business and with our robust product portfolio, first-class team and strong cash position we are well placed to deliver future growth."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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About Novacyt Group (www.novacyt.com)
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.

The Company is divided into three business segments:

Clinical	Broad portfolio of human clinical *in vitro* diagnostic products, workflows and services focused on three therapeutic areas: • Reproductive Health: NIPT, Cystic Fibrosis and other rapid aneuploidy tests • Precision Medicine: DPYD genotyping assay • Infectious Diseases: Winterplex, multiplex winter respiratory PCR panel
Instrumentation	Portfolio of next generation size selection DNA sample preparation platforms and rapid PCR machines, including: • Ranger® Technology: automated DNA sample preparation and target enrichment technology • MyGo: real-time quantitative PCR (qPCR) instruments
Research Use Only	Range of services for the life sciences industry: • Design, manufacture, and supply of high-performance qPCR assays and workflows for use in human health, agriculture, veterinary and environmental, to support global health organisations and the research industry • Pharmaceutical research services: whole genome sequencing (WGS) / whole exome sequencing (WES)

Novacyt is headquartered in Vélizy-Villacoublay in France with offices in the UK (in Stokesley, Eastleigh and Manchester), Singapore, the US and Canada and has a commercial presence in over 65 countries. The Company is listed on the London Stock Exchange's AIM market ("NCYT") and on the Paris Stock Exchange Euronext Growth ("ALNOV").

For more information, please refer to the website: www.novacyt.com

Chief Executive's review

The first half of 2024 showed continued progress for the Group, with our efforts focused towards working as a single business, reducing our cost base and delivering growth; we saw encouraging growth in areas such as Reproductive Health and NIPT Technologies. The Group settled its dispute with DHSC in June and subsequently reclaimed associated VAT payments, improving our cash position by net of £7.2m. The Group is now in a stronger position with solid foundations in place to drive the future growth of the business.

Clinical

Reproductive Health
During the period the Reproductive Health business grew 34% on a proforma basis. As previously announced, this was largely driven by the continued strong growth of our cystic fibrosis portfolio in Australia following implementation of the government's nationwide reimbursement pathway.

Our Non-invasive prenatal testing ("NIPT") technology portfolio had a strong start and year to date we have seen double digit growth. This was driven by strong growth in India and Europe and a number of former Genomic Services NIPT customers establishing in-house laboratories and becoming higher margin technology customers to the Group.

We have strengthened our competitive position in the NIPT market with the commenced roll out of upgrades of the IONA Nx NIPT workflow, which now has the capability to run twice the samples in one run than previously possible. We have a number of customer demonstration events planned for Q4'24, to drive further awareness of our capabilities. We also installed our first NIPT workflow in Colombia and have been working closely with our partner there to support, the upcoming launch of their NIPT service offering to clinics in the region.

The Group continues to focus on obtaining certification for its clinical products under the new EU requirements of the *In Vitro* Diagnostic Regulation ("IVDR"). In June 2024, we submitted IVDR certification for ourYourgene® Cystic Fibrosis Base ARMS-PCR test for both newborn screening and carrier screening in adults.

Later in June 2024, the Company submitted the application for IVDR for its rapid prenatal aneuploidy analysis Yourgene® QST*R Base, our QF-PCR test. Aneuploidies are genetic disorders where there is a variation in the number of chromosomes, such as Down's syndrome, Edwards' syndrome and Patau's syndrome.

We have also developed additional analysis capabilities, initially as a research use only ("RUO") tool, to expand our NIPT offering, including copy number variation ("CNV") analysis for our IONA Nx NIPT Workflow, in order to meet the changing market needs of some of our European lab customers. The RUO tool version is expected to be released later this month with a planned IVDR submission next year.

Precision Medicine
We saw sales of our dihydropyrimidine dehydrogenase ("DPYD") product under pressure as new competitors and technologies entered the market. We were encouraged by a report from the Association for Molecular Pathology released in July 2024, providing recommendations to help standardise the design and validation of clinical DPYD genotyping assays, demonstrating the continued global adoption of and need for DPYD testing.

We are working on upgrading our DPYD assay and have partnered with key opinion leaders around the world to ensure that the next version of the product meets the needs of the international market as clinical guidelines are being updated.

Infectious Disease
As previously announced, we will monitor the clinical demand for our genesig™ Real-time PCR SARS-CoV-2 Winterplex respiratory panel, over the winter period to evaluate the opportunity and investment required to progress the test through IVDR.

The recent surge of Mpox in Central Africa is an important health issue and has received much media attention, though the full extent of the commercial opportunity for our products is still unknown. Our RUO existing genesig® Complete Kits for Mpox 2G generated some revenue in July and August but this was not material at Group level. The market is more saturated compared to early in the COVID-19 pandemic, with an available vaccine and several competitors in the market. We are

currently updating the assay based on customer feedback around the clade 1b strain and will monitor the situation to assess whether there is sufficient demand to progress the test for clinical use.

Instrumentation
We continue to evaluate new opportunities across new human and non-human applications for Ranger® Technology ("Ranger"), our automated DNA sample preparation and target enrichment technology,and continue to collaborate closely with PacBio to access more potential customers. Following customer feedback, we have commenced work on adding additional functionality to Ranger for long-read sequencing users.

Post-period we have seen the first sale of NIMBUS Select, our high throughput Ranger Technology platform to a customer in Europe who will be using it in the field of synthetic biology and the Group expects to see further LightBench evaluations and demonstration projects to mature throughout the remainder of the year.

Research use only (RUO)
Primer Design continues to see demand for its research only assays. In June, we launcheda real-time PCR workflow for rapid onsite detection of norovirus in oysters, which is a serious and growing threat to oyster farmers. Testing season starts in winter and we expect to see further demand for the workflow in the coming months, as customers prepare. We have also been developing a number of additional aquaculture and veterinary products, which are expected to launch before the year end.

We have also signed a contract with a diagnostics company to develop an extraction kit for use in a clinical trial assessing the early detection of colorectal and bowel cancer. The extraction kit will initially be an RUO product but could be developed further depending on the results of the trial, which is expected to start later this year.

Genomics Services
The Group continues to see steady growth in new NIPT clinical customers across the UK. Our pharmaceutical research services has been steady and continues to offer whole genome sequencing ("WGS"), whole exome sequencing ("WES") and other specialist laboratory testing services to pharma, biotech and central laboratories for clinical studies and assay validation, as well as biomarker discovery services.

Integration update
Since the completion of the acquisition of Yourgene Health in September 2023, the Company has implemented actions that will deliver c.£5.0m of annualised cost savings ahead of schedule, including the refocus of the Primer Design business on the RUO market, the elimination of duplicate corporate functions and other corporate costs, as well as streamlining of management and disposing of the Taiwanese laboratory business. We are looking to implement further significant costs savings and continue to look at ways to right size the cost base of the business.

Board changes
There have also been a number of changes to the Board during the period and post-period end. I was appointed CEO in May 2024 and Steve Gibson, Chief Financial Officer and Dr Joanne Mason, Chief Scientific Officer, joined the Board in July. As announced today, John Brown CBE has been appointed Chairman, succeeding James Wakefield. John has a proven track record of successfully building life sciences companies and his wealth of knowledge in capital markets and the life sciences sector will be important as we look to execute the strategic plan of the combined business.

On behalf of the Board, I would like to thank James for his contribution and leadership to Novacyt, especially navigating the business through the pandemic and its after-effects. Under James' tenure, the business has made a series of successful acquisitions, including Primerdesign and more recently Yourgene Health. James leaves the business in a strong financial position, debt free and with significant cash resources.

DHSC settlement and VAT reclaim
The £5.0m settlement with the DHSC has enabled management to focus entirely on the integration and growth of the combined business. Following the settlement, we successfully reclaimed £12.2m in VAT from HMRC relating to the unpaid DHSC invoices. This has resulted in the Group's net cash position increasing by £7.2m, with cash of £36.6m at 31 August 2024.

Taiwan disposal
In July 2024, we announced that the Group was in advanced stages of disposing of its Taiwanese laboratory business, in-line with our strategy of rationalising our offering and focusing resources on areas of higher margin and growth potential. The deal has now concluded for a nil upfront consideration, with the possibility of earnouts of up to 2m on future milestones.

Outlook
Growth has been encouraging in areas such as Reproductive Health and NIPT Technologies; with double digit growth across our NIPT portfolio year to date and we expect Group revenue for the full year to remain at a similar run-rate. During the rest of the year, our priorities remain on working as a single business, reducing our cost base and positioning the Company for long-term growth. An important process will be the continued rationalisation of our product and service offering to focus resources on those areas with the highest growth potential. As previously announced, our R&D team is also developing a pipeline of new products, which we expect to bring to market over the next three years, ensuring we have a balanced and exciting product portfolio that meets the needs of our customer base and allows us to expand into new technologies and applications.

The new management team has now been in place for five months; during that time, we have significantly derisked the business by concluding the dispute with the DHSC, made considerable progress with integration of two complex businesses and delivered considerable cost savings with a clear road map to further right size the cost base of the Group. With our robust cash position and in-house expertise, we are well placed to accelerate the growth of our product portfolio and invest in exciting new product opportunities to deliver shareholder value. We are working on a comprehensive growth strategy for the combined Group and look forward to further updating the market with more details in H1 2025.

I would like to thank our shareholders and team for their hard work and support during the period.

Lyn Rees
Chief Executive Officer

25 September 2024

FINANCIAL REVIEW

Overview

Novacyt's H1 2024 performance delivered sales of £10.3m, an EBITDA loss of £5.6m and a loss after tax of £17.7m following the resolution of the DHSC commercial dispute. Novacyt continued to execute on right sizing its cost base by reducing its opex spend by £2.6m compared with H1 2023, on a proforma basis, and will continue to make further cost savings where possible.

Cash at 30 June 2024 was £32.9m, providing the Group with a solid foundation on which to build and execute its future strategy. The £5.0m settlement agreed with the DHSC was paid in early July, reducing the cash position further.

Income statement

Continuing operations	**H1 2024 £'000**	**H1 2023 £'000**
Revenue	**10,322**	3,339
Gross profit	**26,480**	1,665
Gross profit %	***257%***	*50%*
OPEX	**(32,104)**	(7,040)
EBITDA	**(5,624)**	(5,375)
EBITDA %	***-54%***	*-161%*
Recurring operating loss*	**(9,016)**	(6,534)
Operating loss	**(17,104)**	(8,396)
Other financial income and expenses	**(814)**	83
Income tax	**219**	174
Loss after tax from continuing operations	**(17,699)**	(8,139)
Loss from discontinued operations	**-**	(209)
Loss after tax attributable to the owners	**(17,699)**	(8,348)

** H1 2024 recurring operating loss is stated before £8.1m of non-recurring charges as follows:*

1. *£5.0m DHSC settlement fee.*
2. *£2.4m costs in relation to the now settled DHSC contract dispute.*
3. *£0.7m of other costs including restructuring expenses and Taiwan divestment fees.*

Revenue

Revenue for H1 2024 increased to £10.3m compared with £3.3m in H1 2023, driven by the inclusion of Yourgene sales that were not present in H1 2023. Yourgene Health delivered sales of £7.8m, or 75% of total sales, Primer Design delivered sales totalling £2.2m, whilst IT-IS International delivered sales of £0.3m in H1 2024.

Gross profit

The business delivered an underlying gross profit (excluding the impact of the DHSC settlement) of £6.7m (65%), compared with £1.7m (50%) in H1 2023. The margin has improved significantly as there have been no major stock write offs, following impairment of all remaining COVID-19 associated stock at year-end.

Operating expenditure

Underlying Group operating costs (excluding the impact of the DHSC settlement) increased by £5.1m to £12.1m in H1 2024 compared with £7.0m in H1 2023, driven by the inclusion of Yourgene costs that were not present in H1 2023. On a proforma basis, H1 2024 opex costs are £2.6m lower than H1 2023 predominantly as a result of the integration cost savings that have been delivered so far post-acquisition.

Headcount at the end of June 2024 was around 240 which is largely consistent with the position at year end (237).

EBITDA

The Group reported an EBITDA loss of £5.6m for H1 2024, compared with a loss of £5.4m in H1 2023. The loss has increased slightly, by £0.2m, which is driven by a £5.0m increase in the underlying gross profit, as a result of increased sales, offset by higher underlying operating expenditure of circa £5.1m.

Operating loss

The Group operating loss increased to £17.1m compared with a loss of £8.4m in H1 2023. Year-on-year, depreciation and amortisation charges have increased by £2.2m, to £3.4m, mainly due to the inclusion of charges associated with assets acquired as part of the Yourgene acquisition.

Other operating expenses have increased from £1.9m to £8.1m in H1 2024. The main items making up the H1 2024 charge are i) £5.0m DHSC settlement fee, ii) £2.4m costs in relation to the now settled DHSC contract dispute, and iii) £0.7m other costs including restructuring expenses as we continue to lower our cost base.

Loss after tax from continuing operations

The Group reported a loss after tax of £17.7m, compared with a loss of £8.1m in H1 2023. Other financial income and expenses netted to a £0.8m expense compared with a £0.1m income in H1 2023. The three key items making up the balance are i) a £1.1m net financial foreign exchange loss, mainly resulting from revaluations of bank and intercompany accounts held in foreign currencies (H1 2023: £1.2m net loss), ii) £0.4m of IFRS 16 lease interest payments (H1 2023: £nil), offset by iii) £0.7m interest income on deposits held in bank accounts (H1 2023: £1.5m), reflecting the reduced cash position year-on-year. The £0.2m taxation credit is made up of the movement in the current and deferred tax position.

Earnings per share

The H1 2024 loss per share was £0.25 (H1 2023: £0.12 loss).

Statement of financial position

Assets	**Jun-24 £'000**	**Dec-23 £'000**	**Equity and Liabilities**	**Jun-24 £'000**	**Dec-23 £'000**
Goodwill	21,273	21,446	Share capital and premium	54,625	54,586
Right-of-use assets	10,024	11,036	Retained earnings and reserves	15,788	32,656
Property, plant and equipment	3,764	4,183	**Total equity**	**70,413**	**87,242**
Deferred tax assets	359	413			
Other non-current assets	8,990	10,289	Lease liabilities long-term	11,791	12,495
Total non-current assets	**44,410**	**47,367**	Deferred tax liabilities	1,998	2,241

			Contingent consideration long-term	-	722
Inventories	3,001	3,022	Other provisions and long-term liabilities	1,589	1,550
Trade and other receivables	16,955	36,034	**Total non-current liabilities**	**15,378**	**17,008**
Tax receivables	423	728			
Other current assets	1,671	2,610	Lease liabilities short-term	1,352	1,209
Cash and cash equivalents	32,939	44,054	Trade and other liabilities	11,541	7,183
Total current assets	**54,989**	**86,448**	Tax liabilities	11	65
			Contingent consideration short-term	-	193
			Other provisions and short-term liabilities	704	20,915
			Total current liabilities	**13,608**	**29,565**
Total Assets	**99,399**	**133,815**	**Total Equity and Liabilities**	**99,399**	**133,815**

Non-current assets

Right-of-use assets have decreased by £1.0m to £10.0m at 30 June 2024, predominantly as a result of depreciation charges.

Other non-current assets have decreased by £1.3m to £9.0m at 30 June 2024, driven by the amortisation of intangible assets.

Current assets

Trade and other receivables have fallen since December 2023 predominantly as a result of the DHSC settlement, whereby the December 2020 unpaid invoice for £24.0m has now been written off as it will no longer be paid.

Also included in trade and other receivables is a £13.4m VAT receivable balance (December 2023: £8.5m), that mainly relates to VAT paid in the UK on sales invoices that will not be paid by the DHSC as per the terms of the settlement agreement (circa £12.2m). This has subsequently been repaid to Novacyt in August 2024.

Tax receivables has fallen by £0.3m to £0.4m at 30 June 2024, predominantly due to the Group receiving cash from HMRC covering FY22 research and development tax claims. The current balance relates to research and development tax claim accruals covering 2023 and 2024.

Other current assets have fallen by £0.9m to £1.7m at 30 June 2024, with the key driver being the unwinding of the annual commercial insurance prepayment charge. Prepayments at 30 June 2024 include Group commercial insurance, rent, rates and prepaid support costs.

Current liabilities

Short-term provisions have fallen by £19.8m since December 2023 as a result of the DHSC settlement, whereby the product warranty provision made in relation to the dispute has been reversed.

Trade and other liabilities increased from £7.2m to £11.5m at 30 June 2024, driven by the inclusion of the £5.0m settlement due to the DHSC which was paid in July 2024, offset by a reduction in accruals and payroll related liabilities.

Non-current liabilities

Lease liabilities long-term have decreased by £0.7m, to £11.8m, driven predominantly by rental payments made in H1 2024.

Contingent consideration long-term has reduced to nil from £0.7m at December 2023, following a settlement agreement that accelerated the milestone payment in return for a reduced fee.

Cash flow

Cash held at 30 June 2024 totalled £32.9m compared with £44.1m at 31 December 2023. Net cash used in operating activities was £9.1m for H1 2024, made up of a working capital outflow of £3.5m and an EBITDA loss of £5.6m, compared with a cash outflow of £5.7m in H1 2023.

Net cash from investing activities has swung from a £1.0m inflow in H1 2023 to a £1.1m outflow in H1 2024, driven by reduced interest income as a result of a lower cash balance, the payment of outstanding contingent consideration in relation to the historic Coastal Genomics acquisition and higher capital expenditure.

Net cash used in financing activities in H1 2024 totalled £0.9m compared with £0.5m in H1 2023, with the main cash outflow continuing to be lease payments.

The Group remains debt free at 30 June 2024.

Steve Gibson
Chief Financial Officer

25 September 2024

Consolidated income statement as at 30 June 2024

Amounts in £'000	Notes	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023

Amounts in £'000	Notes	[illegible]	[illegible]
Continuing Operations			
Revenue	4	10,322	3,339
Cost of sales	6	-3,595	-1,674
Cost of sales - exceptional	7	19,753	-
Gross profit		**26,480**	**1,665**
Sales, marketing and distribution expenses		-3,090	-1,506
Research and development expenses		-1,499	-1,239
General and administrative expenses		-10,943	-5,579
General and administrative expenses - exceptional	7	-19,964	-
Governmental subsidies		-	125
Operating loss before exceptional items		**-9,016**	**-6,534**
Other operating income	8	-	-
Other operating expenses	8	-8,088	-1,862
Operating loss after exceptional items		**-17,104**	**-8,396**
Financial income	9	2,096	1,994
Financial expense	9	-2,910	-1,911
Loss before tax		**-17,918**	**-8,313**
Tax income	10	219	174
Loss after tax from continuing operations		**-17,699**	**-8,139**
Loss from discontinued operations		-	-209
Loss after tax attributable to owners of the Company		**-17,699**	**-8,348**
Loss per share (£)	11	-0.25	-0.12
Diluted loss per share (£)	11	-0.25	-0.12
Loss per share from continuing operations (£)	11	-0.25	-0.12
Diluted loss per share from continuing operations (£)	11	-0.25	-0.12
Loss per share from discontinued operations (£)	11	-0.00	-0.00
Diluted loss per share from discontinued operations (£)	11	-0.00	-0.00

Consolidated statement of comprehensive income as at 30 June 2024

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Loss for the period recognised in the income statement	**-17,699**	**-8,348**
Items that may be reclassified subsequently to profit or loss:		
Translation reserves	794	474
Total comprehensive loss	**-16,905**	**-7,874**
Comprehensive loss attributable to:		
Owners of the Company (*)	**-16,905**	**-7,874**

(*) There are no non-controlling interests.

Statement of financial position as at 30 June 2024

	(Unaudited)	(Audited)

Amounts in £'000	Notes	Six month 30 June 2024	Year ended 31 December 2023
Goodwill		21,273	21,446
Other intangible assets		8,937	10,232
Property, plant and equipment		3,764	4,183
Right-of-use assets		10,024	11,036
Non-current financial assets		53	57
Deferred tax assets		359	413
Total non-current assets		**44,410**	**47,367**
Inventories and work in progress	12	3,001	3,022
Trade and other receivables	13	16,955	36,034
Tax receivables		423	728
Prepayments and short-term deposits		1,663	2,601
Investments short-term		8	9
Cash and cash equivalents		32,939	44,054
Total current assets		**54,989**	**86,448**
Total assets		**99,399**	**133,815**
Lease liabilities short-term		1,352	1,209
Contingent consideration short-term		-	193
Provisions short-term	14	216	19,988
Trade and other liabilities	15	11,541	7,183
Tax liabilities		11	65
Other current liabilities		488	927
Total current liabilities		**13,608**	**29,565**
Net current assets		**41,381**	**56,883**
Lease liabilities long-term		11,791	12,495
Contingent consideration long-term		-	722
Provisions long-term	14	1,586	1,547
Deferred tax liabilities		1,998	2,241
Other long-term liabilities		3	3
Total non-current liabilities		**15,378**	**17,008**
Total liabilities		**28,986**	**46,573**
Net assets		**70,413**	**87,242**

Statement of financial position as at 30 June 2024 (continued)

Amounts in £'000	Notes	(Unaudited) Six month 30 June 2024	(Audited) Year ended 31 December 2023
Share capital	16	4,053	4,053
Share premium account		50,671	50,671
Own shares		-99	-138
Other reserves		2,393	1,599
Equity reserves		1,155	1,155
Retained earnings		12,240	29,902
Total equity - owners of the Company		**70,413**	**87,242**
Total equity		**70,413**	**87,242**

Statement of changes in equity as at 30 June 2024

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 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	-	-	-	-	-	794	-	794	-	794
Loss for the period	-	-	-	-	-	-	-	-	-17,699	-17,699
Total comprehensive loss for the period	-	-	-	-	-	**794**	-	**794**	**-17,699**	**-16,905**
Own shares acquired/sold in the period	-	-	39	-	-	-	-	-	-	39
Others	-	-	-	-	-	-	-	-	37	37
Balance at 30 June 2024	**4,053**	**50,671**	**-99**	**1,155**	**846**	**1,555**	**-8**	**2,393**	**12,240**	**70,413**

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 variation of £37k in the column 'Retained earnings' in 2024 is mainly the result of the foreign exchange difference when accounting for the capital reduction of Yourgene Health Taiwan Ltd.

Statement of cash flows as at 30 June 2024

Amounts in £'000	**Notes**	**(Unaudited) Six month 30 June 2024**	**(Unaudited) Six month 30 June 2023**
Net cash used in operating activities	17	**-9,087**	**-5,691**
Operating cash flows from discontinued operations		-	*-1,287*
Operating cash flows from continuing operations		*-9,087*	*-4,404*
Investing activities			
Sales of property, plant and equipment		-	13
Purchases of patents and trademarks		-104	-35
Purchases of property, plant and equipment		-738	-138
Variation of deposits		-84	120
Acquisition of subsidiaries net of cash acquired		-898	-2
Interest received		691	1,052
Net cash (used in)/from investing activities		**-1,133**	**1,010**
Investing cash flows from discontinued operations		-	*88*
Investing cash flows from continuing operations		*-1,133*	*922*
Financing activities			
Repayment of lease liabilities		-900	-483
Purchase of own shares - net		39	-32
Paid interest expenses		-	-19
Net cash used in financing activities		**-861**	**-534**
Financing cash flows from discontinued operations		-	*-320*
Financing cash flows from continuing operations		*-861*	*-214*
Net decrease in cash and cash equivalents		**-11,081**	**-5,215**
Cash and cash equivalents at beginning of year		44,054	86,973
Effect of foreign exchange rate changes		-34	-24
Cash and cash equivalents at end of period		**32,939**	**81,734**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD TO 30 JUNE 2024

1. CORPORATE INFORMATION

Novacyt is an international molecular diagnostics company providing a broad portfolio of integrated

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 13 Avenue Morane Saulnier, 78140 Vélizy Villacoublay.

The financial information contained in this report comprises the consolidated financial statements of the Group 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 ("£'000").

This condensed consolidated interim financial information does not constitute full statutory accounts. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the twelve months ended 31 December 2023. Statutory accounts for the year ended 31 December 2023 were approved by the Board of Directors and have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified. The financial information for the half years 30 June 2024 and 30 June 2023 is unaudited and the twelve months to 31 December 2023 is audited.

2. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The financial statements have also been prepared in accordance with IFRSs 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 generally 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 15 of the 2023 Statutory Accounts for further details), the carrying amounts and useful lives of the other intangible assets (see note 16 of the 2023 Statutory Accounts for further details), deferred taxes (see note 19 of the 2023 Statutory Accounts for further details), trade receivables (see note 21 of the 2023 Statutory Accounts and note 13 of the 2024 Interim Accounts for further details) and provisions for risks and other provisions related to the operating activities (see note 28 of the 2023 Statutory Accounts and note 14 of the 2024 Interim Accounts for further details).

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

The accounting policies applied by the Group in these condensed consolidated interim financial statements are substantially the same as those applied by the Group in its financial statements for the year ended 31 December 2023 and which form the basis of the 2024 financial statements. The methodology for selecting assumptions underpinning the fair value calculations has not changed since 31 December 2023.

Basis of consolidation

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 30 June 2024		At 30 June 2023	
Companies	**Interest percentage**	**Consolidation method**	**Interest percentage**	**Consolidation method**

Biotec Laboratories Ltd	-	-	100%	FC
IT-IS International Ltd	100%	FC	100%	FC
Lab21 Healthcare Ltd	100%	DO	100%	DO
Novacyt US Inc	100%	FC	100%	FC
Novacyt Inc	100%	FC	100%	FC
Microgen Bioproducts Ltd	100%	DO	100%	DO
Novacyt SA	100%	FC	100%	FC
Novacyt Asia Ltd	100%	FC	100%	FC
Novacyt China Ltd	100%	FC	100%	FC
Novacyt UK Holdings Ltd	100%	FC	100%	FC
Primer Design Ltd	100%	FC	100%	FC
Yourgene Health Ltd	100%	FC	-	-
Yourgene Health UK Ltd	100%	FC	-	-
Yourgene Genomic Services Ltd	100%	FC	-	-
Yourgene Health SASU	100%	FC	-	-
Yourgene Health Inc	100%	FC	-	-
Yourgene Health GmbH	100%	FC	-	-
Yourgene Health Canada Holdings Ltd	100%	FC	-	-
Yourgene Health Canada Investments Ltd	100%	FC	-	-
Yourgene Health Canada Inc	100%	FC	-	-
Yourgene Health (Singapore) Pte. Ltd	100%	FC	-	-
Yourgene Health (Taiwan) Co. Ltd	100%	FC	-	-
Elucigene Ltd	100%	FC	-	-
Delta Diagnostics Ltd	100%	DO	-	-

Legend: *FC: Full consolidation*
DO: Discontinued operation

Biotec Laboratories Ltd was dissolved on 20 February 2024.

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.

The going concern model covers the period up to and including September 2025. In making this assessment, the directors have considered the following elements:

- The business plan for the next 12 months;
- The working capital requirements of the business;
- A positive cash balance at 30 June 2024 of £32,939k;
- Payment of £5,000k to settle the Department of Health and Social Care "DHSC" commercial dispute in July 2024;
- Receiving £12,165k of VAT back from HMRC following conclusion of the DHSC commercial dispute in August 2024, and;
- 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 2024 up until September 2025.

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 well-informed, 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.

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.

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.

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 period.

In December 2021, Novacyt implemented a cash LTIP to qualifying employees, based on achieving certain annual EBITDA targets over a three-year qualifying period. The plan vested on the third anniversary of the grant date and was settled in cash.

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 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 2022 and ending on 31 December 2024, 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 2021 which was £3.54. This will be compared to the equivalent figure in December 2024.

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 Company typically satisfies its performance obligations at a point in time and revenue is recognised

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.

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.

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, IT-IS International 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.

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.

Exceptional items

Exceptional items are those costs or incomes 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATE UNCERTAINTY

In the application of the Group's accounting policies, 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

- **Constraint of revenue**

Revenue is only constrained if it is highly probable there will not be a significant reversal of revenue in the future. Highly probable is not defined in IFRS 15 and so it is a significant judgement to be exercised by Management.

- **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 30 June 2024, the Group had trade receivables of £3,694k against which a credit loss provision of £406k has been applied.

Key sources of estimation uncertainty

The Group has a number of key sources of estimation uncertainty. Of these items, only the measurement of goodwill is considered likely to result in a material adjustment. Where there are other areas of estimates these have been deemed not material.

- **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.

4. REVENUE

The table below shows revenue on a geographical basis:

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Geographical area		
United Kingdom	2,288	814
France	1,299	196
Rest of Europe	1,902	584
America	1,474	764
Asia-Pacific	2,748	749
Africa	280	192
Middle East	331	40
Total revenue	**10,322**	**3,339**

Revenue has increased as a result of the inclusion of sales from Yourgene Health post-acquisition, that were not present in H1 2023.

The breakdown of revenue by operating segment and geographic area is presented in note 5.

5. 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 four operating segments whose performance and resources are monitored separately:

- **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.

- **IT-IS International**

This segment represents the activities of IT-IS International Ltd, a diagnostic instrument development and manufacturing company specialising in the development of PCR devices for the life sciences and food testing industry based in Stokesley, UK.

- **Corporate**

This segment represents Group central/corporate costs. Where appropriate, costs are recharged to individual business units via a management recharge process.

- **Intercompany eliminations**

This column represents 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.

Reliance on major customers and concentration risk

In H1 2024 and H1 2023 the Group was not dependent on one particular customer and there were no customers generating sales accounting for over 10% of revenue.

Breakdown of revenue by operating segment and geographic area

- At 30 June 2024

Amounts in £'000	Primer Design	IT-IS International	Yourgene Health	Total
Geographical area				
United Kingdom	565	25	1,698	2,288
France	127	29	1,143	1,299
Rest of Europe	391	98	1,413	1,902
America	415	94	965	1,474
Asia-Pacific	401	102	2,245	2,748
Africa	193	1	86	280
Middle East	91	-	240	331
Total revenue	**2,183**	**349**	**7,790**	**10,322**

- At 30 June 2023

Amounts in £'000	Primer Design	IT-IS International	Total
Geographical area			
United Kingdom	796	18	814
France	159	37	196
Rest of Europe	379	205	584
America	689	75	764
Asia-Pacific	555	194	749
Africa	172	20	192
Middle East	28	12	40
Total revenue	**2,778**	**561**	**3,339**

Breakdown of result by operating segment

- 6 month ended 30 June 2024

Amounts in £'000	Primer Design	IT-IS International	Corporate	Yourgene Health	Intercompany Eliminations	Total
Revenue	2,183	349	-	7,790	-	10,322
Cost of sales	-362	-299	-	-2,937	3	-3,595
Cost of sales - exceptional	19,753	-	-	-	-	19,753
Sales and marketing costs	-724	-122	-254	-1,990	-	-3,090
Research and development	-382	-233	-130	-820	66	-1,499
General and administrative	-1,576	-511	-346	-5,118	-	-7,551
General and administrative - exceptional	-19,964	-	-	-	-	-19,964
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-1,072**	**-816**	**-730**	**-3,075**	**69**	**-5,624**
Depreciation and amortisation	-639	-67	-43	-2,660	17	-3,392
Operating (loss)/profit before exceptional items	**-1,711**	**-883**	**-773**	**-5,735**	**86**	**-9,016**
Other operating income	-	-	-	-	-	-
Other operating expenses	-7,734	-52	-91	-211	-	-8,088
Operating (loss) / profit after exceptional items	**-9,445**	**-935**	**-864**	**-5,946**	**86**	**-17,104**
Financial income	4,940	4	1,210	107	-4,165	2,096
Financial expense	-13	-93	-5,563	-1,406	4,165	-2,910
Loss before tax	**-4,518**	**-1,024**	**-5,217**	**-7,245**	**86**	**-17,918**

- 6 month ended 30 June 2023

Amounts in £'000	Primer Design	IT-IS International	Corporate	Intercompany Eliminations	Total
Revenue	2,778	561	-	-	3,339
Cost of sales	-1,309	-374	-	9	-1,674
Sales and marketing costs	-1,281	-202	-23	-	-1,506
Research and development	-1,047	-192	-	-	-1,239
General and administrative	-3,007	-729	-684	-	-4,420
Governmental subsidies	154	-29	-	-	125
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-3,712**	**-965**	**-707**	**9**	**-5,375**
Depreciation and amortisation	-935	-209	-33	18	-1,159
Operating (loss)/profit before exceptional items	**-4,647**	**-1,174**	**-740**	**27**	**-6,534**
Other operating income	-	-	-	-	-
Other operating expenses	-757	-13	-1,092	-	-1,862
Operating (loss) / profit after exceptional items	**-5,404**	**-1,187**	**-1,832**	**27**	**-8,396**
Financial income	3,058	69	1,650	-2,783	1,994
Financial expense	-749	-28	-3,917	2,783	-1,911
Loss before tax	**-3,095**	**-1,146**	**-4,099**	**27**	**-8,313**

6. COST OF SALES

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Cost of inventories recognised as an expense	3,491	1,157
Change in stock provision	-991	-175
Freight costs	23	32
Direct labour (including subcontractor costs)	992	664
Other	80	-4
Total cost of sales	**3,595**	**1,674**

In H1 2024, the stock provision has decreased by a net £991k (H1 2023: decreased by £175k). Stock, which had previously been provided for, has been written off and disposed of during H1 2024, with the cost being charged to 'Cost of inventories recognised as an expense' and a corresponding release of the stock provision being made.

Direct labour (including subcontractor costs) has increased year-on-year in line with the growth in sales.

7. COST OF SALES - EXCEPTIONAL & GENERAL AND ADMINISTRATIVE EXPENSES - EXCEPTIONAL

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Reversal of DHSC related product warranty provision	-19,753	-
Total cost of sales - exceptional	**-19 753**	**-**
DHSC bad debt write off	19,964	-
Total general and administrative expenses - exceptional	**19,964**	**-**

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

General and administrative expenses - exceptional relates to the bad debt write off of £19,964k in relation to the DHSC December 2020 invoice, thatas per the terms of the settlement agreement in June 2024 will not be paid.

8. OTHER OPERATING INCOME AND EXPENSES

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Other operating income	-	-
Total other operating income	**-**	**-**
Acquisition related expenses	-29	-666
DHSC contract dispute costs	-7,372	-640
Restructuring expenses	-379	-543
Other expenses	-308	-13
Total other operating expenses	**-8,088**	**-1,862**

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.

9. FINANCIAL INCOME AND EXPENSE

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Financial foreign exchange gains	1,380	519
Interest received from discontinued operations	-	415
Other financial income	716	1,060
Total financial income	**2,096**	**1,994**
Interest on IFRS 16 liabilities	-361	-19
Financial foreign exchange losses	-2,471	-1,731
Discount of financial instruments	-42	-3
Interest paid to discontinued operations	-	-158
Other financial expense	-36	-

Other financial expense	-30	-
Total financial expense	**-2,910**	**-1,911**

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 and Lab21 Healthcare Ltd.

Other financial income relates to interest received on cash balances.

10. TAX INCOME

The main rate of corporation tax in the UK increased to 25% from 1 April 2023. The H1 2024 financials have been calculated using a corporation tax rate of 25%.

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

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

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Current tax income		
Current year tax income	52	123
Deferred tax income		
Deferred tax income	167	51
Total tax income in the income statement	**219**	**174**

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

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Loss before taxation	-17,918	-8,313
Tax at the UK corporation tax rate (2024: 25%, 2023: 19%)	4,480	1,580
Effect of different tax rates of subsidiaries operating in other jurisdictions	-49	159
Change of the tax rate for the calculation of deferred tax	-	272
Effect of non-deductible expenses and non-taxable income	-562	-40
Change in unrecognised deferred tax assets	-3,737	-1,761
Other adjustments	87	-36
Total tax income for the period	**219**	**174**

11. 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 30 June 2024, there are no outstanding dilutive instruments.

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Net loss attributable to owners of the Company	-17,699	-8,348
Weighted average number of shares	70,626,248	70,626,248
Loss per share (£)	**-0.25**	**-0.12**

Diluted loss per share (£)	**-0.25**	**-0.12**
Loss per share from continuing operations (£)	*-0.25*	*-0.12*
Diluted loss per share from continuing operations (£)	*-0.25*	*-0.12*
Loss per share from discontinued operations (£)	*-0.00*	*-0.00*
Diluted loss per share from discontinued operations (£)	*-0.00*	*-0.00*

12. INVENTORIES AND WORK IN PROGRESS

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Audited) Year ended 31 December 2023
Raw materials	10,482	10,691
Work in progress	1,406	1,751
Finished goods	3,168	3,631
Stock provisions	-12,055	-13,051
Total inventories and work in progress	**3,001**	**3,022**

13. TRADE AND OTHER RECEIVABLES

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Audited) Year ended 31 December 2023
Trade and other receivables	3,694	27,509
Expected credit loss provision	-406	-223
Tax receivables - Value Added Tax	13,390	8,541
Other receivables	277	207
Total trade and other receivables	**16,955**	**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 now been written off as it will no longer be paid.

The 'Tax receivables - Value Added Tax' balance included £12,165k relating to VAT paid in the UK on sales invoices that will not be paid by the DHSC as per the terms of the settlement agreement. This has subsequently been repaid to Novacyt in August 2024.

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.

14. PROVISIONS

The table below shows the nature of and changes in provisions for risks and charges for the period from 1 January 2024 to 30 June 2024:

Amounts in £'000	(Audited) At 1 January 2024	Increases	Reversals	Impact of foreign exchange	(Unaudited) At 30 June 2024
Provision for retirement benefits	7	-	-	-	7
Provisions for restoration of premises	1,540	43	-	-4	1,579
Provisions long-term	**1,547**	**43**	**-**	**-4**	**1,586**
Provisions for restoration of premises	36	-	-36	-	-
Provision for litigation	157	-	-	-	157
Provisions for product warranty	19,795	17	-19,753	-	59
Provisions short-term	**19,988**	**17**	**-19,789**	**-**	**216**

Provisions short term has 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.

15. TRADE AND OTHER LIABILITIES

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Audited) Year ended 31 December 2023
Trade payables	2,384	2,311
Accrued invoices	3,091	3,585
Payroll related liabilities	885	1,114
Tax liabilities - Value Added Tax	168	159
Other liabilities	5,013	14
Total trade and other liabilities	**11,541**	**7,183**

Other liabilities in 2024 includes the £5,000k settlement due to the DHSC. This was subsequently paid in July 2024.

16. SHARE CAPITAL

	Amount of share capital in £'000	Amount of share capital in €'000	Unit value per share in €	Number of shares issued
(Audited) At 31 December 2023	**4,053**	**4,708**	**0.07**	**70,626,248**
(Unaudited) At 30 June 2024	**4,053**	**4,708**	**0.07**	**70,626,248**

As of 30 June 2024 and 31 December 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.

17. NOTES TO THE CASH FLOW STATEMENT

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Loss for the period	**-17,699**	**-8,348**
Loss from discontinued operations	*-*	*-209*
Loss from continuing operations	*-17,699*	*-8,139*
Adjustments for:		
Depreciation, amortisation, impairment loss and provisions	-16,356	877
Losses on disposal of assets	-	89
Other revenues and charges without cash impact	361	-
Income tax credit	-219	-299
Operating cash flows before movements of working capital	**-33,913**	**-7,681**
Decrease in inventories (*)	1	568
Decrease in receivables	20,058	908
Increase in payables	5,154	758
Cash used in operations	**-8,700**	**-5,447**
Income taxes received	304	789
Finance income	-691	-1,033
Net cash used in operating activities	**-9,087**	**-5,691**
Operating cash flows from discontinued operations	*-*	*-1,287*
Operating cash flows from continuing operations	*-9,087*	*-4,404*

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

Amounts in £'000	(Unaudited) Six month 30 June 2024	(Unaudited) Six month 30 June 2023
Decrease in the gross value of inventory	992	743
Decrease in the stock provision	-991	-175
Total variation of the net value of inventories	**1**	**568**

The details for the change in the stock provision are covered in notes 6 and 12.

18. SUBSEQUENT EVENTS

In July 2024, Novacyt paid the DHSC £5,000k as per the terms of the settlement agreement, as communicated in the press release on 11 June 2024.

Novacyt divested Yourgene Health Taiwan on 31 July 2024 for an upfront consideration of nil dollars, with the possibility of earnouts totalling up to 2,000k upon hitting certain targets.

In August 2024, Novacyt successfully reclaimed £12,165k in VAT from HMRC, in relation to invoices that will no longer be paid by the DHSC as per the terms of the settlement agreement.

END

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