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Novacyt S.A.
30 April 2025

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

Full Year 2024 results

Paris, France, and Manchester, UK - 30 April 2025 -Novacyt S.A. (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international molecular diagnostics company with a broad portfolio of integrated technologies and services, announces its audited results for the year ended 31 December 2024.

The Company has a broad technology portfolio divided into three business segments: Clinical, Instrumentation and Research Use Only ('RUO'). These business segments trade within Yourgene Health ("Yourgene") (78% of total sales FY24) and Primer Design (22% of total sales FY24), focused on the development and commercialisation of clinical products and RUO assays respectively.

Financial Highlights

- Group statutory revenue for FY2024 was £19.6m, in line with guidance, representing a YoY growth of 85%, driven by the acquisition of Yourgene (FY2023*: £10.6m)
- Yourgene delivered solid growth in both the clinical and instrumentation segments, including:
  - Reproductive Health up 26% YoY on a proforma basis
  - Ranger ® Technology ("Ranger") consumables up 13% YoY on a proforma basis
- Primer Design was broadly flat YoY (excluding COVID sales), delivering sales of £4.3m in FY2024
- Group gross profit totalled £32.1m (163% margin) in FY2024 (FY2023*: £3.5m (33% margin)). The inflated gross profit was driven by the reversal of the £19.8m product warranty provision following the settlement with the DHSC. Removing the impact of this one-time entry, the underlying gross profit grew to £12.3m or 63% margin
- Group EBITDA loss in FY2024 totalled £9.1m before exceptional items (FY2023*: £11.8m loss)
- Loss after tax increased to £41.8m in FY2024 (FY2023: £28.3m loss), predominantly driven by an increase in exceptional charges
- A key benefit of the strategic Yourgene acquisition was £5.0m of estimated cost synergies that would be delivered by the end of year three. Management have been able to successfully deliver these within 18 months of the acquisition
- The Group remains on track to deliver an incremental £3.0m of annual EBITDA improvements through the various site consolidation activities (IT-IS International closure, Canadian manufacturing relocation and Primer Design site relocation) which are planned to be concluded by the end of 2025
- Cash position at 31 December 2024 was £30.5m (2023: £44.1m) and £27.9m at 31 March 2025, with the Group remaining debt free

**excludes any Yourgene revenue pre-acquisition (8 September 2023) and removes IT-IS International revenue as per IFRS 5*

Operational Highlights (including post year-end)

- Settled dispute with the DHSC and successfully reclaimed £12.2m in VAT from HMRC
- Relocated all manufacturing to the Group's Manchester facility, using existing capacity to establish a centre of operational excellence. Consolidation project is expected to deliver c. £3.0m of annual EBITDA improvements, in addition to £5.0m of acquisition synergy cost savings from the Yourgene acquisition. This included the closure of IT-IS, two site moves and the discontinuation of various real-time PCR instruments
- Received accreditation under the new EU requirements of the *In Vitro* Diagnostic Regulation ("IVDR") for the Yourgene QST*R*Base* assay, as well as for Yourgene Cystic Fibrosis *Base,* which is widely used for newborn screening
- Launched real-time PCR workflow for rapid onsite detection of norovirus in oysters
- Supported Columbian customer in establishing a Non-Invasive Prenatal Testing ("NIPT") service laboratory in Colombia, which became operational in October 2024
- Completed disposal of Taiwanese laboratory business
- The Group has chosen to re-invest some of its cost savings into R&D to accelerate the launch of new products, with an additional c. £2.0m being invested in 2025
- Lyn Rees appointed Chief Executive Officer following a six-year tenure as CEO of Yourgene Health plc
- Steve Gibson appointed Chief Financial Officer, and joined the Board along with Dr Jo Mason, Chief Scientific Officer
- Dr John Brown, CBE, appointed Chairman of the Board, and Ian Gilham appointed Non-Executive Director
- James Wakefield stepped down as Chairman, after 11 years of service, having steered the Group through the pandemic and navigated a series of successful acquisitions

Commenting on the results Lyn Rees, CEO of Novacyt, said:*"I would like to thank the team who have worked tirelessly to ensure the smooth operation of joining two separate businesses together, along with the new leadership team who have delivered considerable progress during 2024 focussing on the reduction of operating costs and the completion of the Yourgene integration project. The hard work executed has allowed us to deliver double digit revenue growth in reproductive health and Ranger consumables, two key growth drivers for the Group.*

"Having commenced our site consolidation programmes, which are on track to deliver c. £3.0m of annualised cost savings, we are now focused on investing in our high priority growth areas. We are targeting the launch of four new products in 2025, across Reproductive Health, Precision Medicine and Ranger Technology, with an additional c. £2.0m of R&D investment expected in this calendar year.

"We are confident that continued cost reductions, as well as expected growth in revenues from existing and new products, will mean that our cash balance will be sufficient to see the business through to EBITDA profitability."

Investor presentation

Lyn Rees, CEO, and Steve Gibson, CFO, will host an investor webinar presentation relating to the Company's Final Results 2024 via the Investor Meet Company platform today at 11am. Investors can sign up to Investor Meet Company for free and register here.

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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 • genesig q16 and q32 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 Le Vésinet in France with offices in the UK (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

2024 was a year of transition for Novacyt, as we continued to integrate Yourgene into the wider Group and began working as one unified global diagnostics business. Our focus in 2024 was to reduce our cost base and to consolidate and rationalise our product and services offering. These programmes are underway and on track to deliver the expected savings. We also saw encouraging growth in key areas of our portfolio, and we believe we now have a foundation from which we can deliver long-term, sustainable value for shareholders.

Portfolio update

1) Clinical

The Clinical business, predominantly Yourgene Health branded, is focused across three key strategic pillars: Reproductive Health, Precision Medicine and Infectious Diseases, which each represent large and growing addressable markets.

We have made significant progress during the year and post-period end in progressing our clinical product portfolio through the new EU requirements of the *In Vitro* Diagnostic Regulation ("IVDR"). We now have three clinical products that are accredited under IVDR, after the Yourgene® Cystic Fibrosis*Base* assay, a quantitative fluorescence PCR (QF-PCR) test used for newborn screening as well as carrier screening in adults during family planning, received accreditation in October 2024, followed by the QST*R*Base* Rapid Aneuploidy Analysis assay in February 2025. Our regulatory team will continue to progress our key products through the IVDR process to ensure that they can be used in the clinical setting.

Reproductive Health

Over 2024, the Reproductive Health business grew by 26% on a proforma basis, largely driven by the growth in the Group's cystic fibrosis portfolio in Australia, following the introduction of a new nationwide reimbursement pathway, enabling all eligible Australians to receive cystic fibrosis screening prior to, or early in, pregnancy.

We have continued to strengthen our competitive position in the NIPT market with a series of upgrades to the IONA Nx NIPT workflow, which now has the capability to run twice the number of the samples in one run than previously possible. In October 2024, we also held our IONA Nx NIPT User Meeting in Paris which provided valuable customer insights to enable the development of future NIPT roadmaps. We supported several of our new NIPT laboratory customers with educational launch events to drive clinical awareness in their regions. We were proud to see our first local installed NIPT service laboratory in Colombia go live in October 2024. In addition, we have a new NIPT install lab customer in Kazakhstan, the Presidential Clinic who hosted a prestigious launch event for clinicians, and delegates from the Ministry of Health, in November 2024.

Precision Medicine

During July 2024, the Association for Molecular Pathology (AMP) published recommendations around the clinical implementation of pharmacogenomic dihydropyrimidine dehydrogenase ("DPYD") genotyping assays, an assay which helps identify cancer patients at risk of suffering a severe and potentially life-threatening reaction to common chemotherapy. Working with key opinion leaders around the world, our R&D team is currently developing an enhanced version of our DPYD assay.

In November 2024, the Royal College of Pathologists in Australia (RCPA) announced the need for DPYD testing to be introduced nationally and reimbursed. Each year, over 17,000 Australians undergo this treatment and around 30% of these patients develop grade 3-5 toxicity. Approximately 8% may avoid serious toxicity through DPYD genotyping, and we are encouraged by this recommendation by the RCPA that we believe could help many patients avoid potentially life-threatening side effects arising from fluoropyrimidine-based chemotherapy drugs.

Infectious diseases

The genesig™ Real-time PCR SARS-CoV-2 Winterplex had steady customer uptake over the winter season in the UK, however management has decided to keep the assay as an RUO assay rather than progressing through IVDR.

Genomic Services

Yourgene Genomic Services ("YGS") is now only located in Manchester, UK following the disposal of the Taiwan service laboratory. The business is equally split across research services for pharma, CRO and academia customers, providing them with DNA extractions, whole genome sequencing, exome sequencing, microarray and biobanking services.

The NIPT service expanded its offering with the post-period end launch in February 2025 of the IONA Care +service, providing expectant parents with a broader clinical menu including clinically relevant microdeletions. The service lab team will launch a pan-cancer panel treatment selection test aimed at clinical laboratories and clinical research centres in the coming months.

2) Instrumentation

Ranger® Technology ("Ranger"), the Group's automated DNA sample preparation and target enrichment technology continues to be a focus and a key growth driver for the Group. The platform enables lab customers to see improved performance in DNA sequencing workflows across multiple applications including NIPT, infectious disease testing, liquid biopsy, gene synthesis and long read sequencing. The Group has a range of Ranger platforms serving different customer segments and different sample throughputs, including the LightBench, Yourgene® QS250 (embedded in our NIPT solutions) and NIMBUS Select.

The Group's R&D team has been working hard on a new Ranger platform, set to be launched later this year, that will be enable two workflows in one instrument. Providing both fragment analysis and size selection, it will offer a unique value proposition to long read sequencing research labs. The instrument is currently with three customers sites finalising the beta testing.

Despite a cautious instrumentation purchasing environment during the year, we also saw healthy growth in Ranger consumables sales of 13% YoY, underlining the strength and utility of our Ranger Technology.

In October 2024, we made the decision to close down our IT-IS International Limited subsidiary, a real-time PCR instrument manufacturer, which has improved the Group's EBITDA position by £1.0m annually. The MyGo PCR product range has since been discontinued due to low demand in a saturated marketplace, but we continue to support our customers with existing instruments in the field with our Technical Support team. In addition, we still have existing Original Equipment Manufacturer ("OEM") partnerships for real-time PCR instruments which we maintain and support.

3) Research Use Only

Primer Design has continued to provide high quality research assays to the life sciences industry worldwide focusing on applications in human health, animal health, food, water and agriculture sectors. In June 2024, the Group launched a real-time PCR workflow for rapid onsite detection of Norovirus in oysters, addressing an unmet testing need within the oyster farming community, which has seen steady adoption. In December 2024, we launched an mpox clade differentiation assay for monitoring and surveillance of the mpox pandemic which has been well received by our NGO customer base.

In November 2024, the Group expanded its veterinary and animal health portfolio with the addition of two companion animal multiplex assays for the rapid, accurate detection of six gastrointestinal disease-causing pathogens in cats and dogs. The team launched a new Primer Design website in February 2024 and is currently working on an e-commerce shop for life sciences customers to place orders online, expanding the Group's reach and supporting distributors with a focused sales and marketing portal.

Site consolidations

By January 2025, the Group was in the process of completing changes to the Company's operational footprint, including relocating all of the Company's manufacturing to its Manchester facility. This meant transferring all manufacturing facilities for the Company's Ranger® instrumentation and consumables from Yourgene Health Canada's manufacturing site to Manchester, relocating the Primer Design business from Southampton and closing its IT-IS International Limited subsidiary. These consolidations have been a core focus of the Group this year and by completing them, the Company has been able to utilise existing capacity to establish a centre of operational excellence.

The Group remains on track to deliver an incremental £3.0m of annual EBITDA improvements through the various site consolidation activities once concluded. This is in addition to the £5.0m of acquisition synergy cost savings from the Yourgene Health acquisition.

Board changes
In January 2024, the Group appointed Steve Gibson as Chief Financial Officer. Steve joined Novacyt in 2017 and had served as Group Finance Director since 2020. His financial and operational expertise around the acquisition of Yourgene Health were instrumental to the smooth delivery of the investment.

In May 2024, Lyn Rees and Jo Mason joined the Board as Chief Executive Officer and Chief Scientific Officer respectively. Both were instrumental in the seamless integration of Novacyt and Yourgene. Lyn's significant global leadership, commercial expertise and proven track record of successfully scaling companies has been invaluable to the Group. Jo, a leading molecular biologist, has over 22 years of experience working in senior positions both in industry and at prominent research institutes and has played a pivotal role in the Company highlighting the technical benefits of the Company's offerings to potential and existing customers.

The Group appointed Dr John Brown CBE as Chairman in September 2024, bringing significant industry experience with him, including significant capital markets and board experience in the healthcare and life sciences sector. Finally, in October 2024, Dr Ian Gilham joined the Board as Non-Executive Director (subject to ratification at the next AGM), bringing a wealth of experience of working with public listed life sciences companies, with an international track record in research, development and commercialisation of diagnostic products.

Current trading and outlook
At the time of my appointment in May 2024, integrating Yourgene and reducing the Group's cost base was our priority. We have since been able to significantly reduce our operating costs through the rationalisation of our sites and product portfolio, and the Group's operational footprint is now far better positioned to deliver growth for shareholders, with all Group manufacturing taking place from our Manchester facility. With all site consolidations in progress and on target to deliver the previously announced £3.0m in cost savings, Q1 2025 trading was in-line with management expectations in terms of both revenues and an improved EBITDA performance with a cash position at 31 March 2025 of £27.9m.

To deliver sustainable, long-term growth, we are now leveraging our strong cash position to accelerate new product launches. As part of our strategic review of the business, we have identified Reproductive Health, Precision Medicine and Ranger® Technology as priority areas for investment. We expect to invest an additional c. £2.0m into these areas in 2025 to help us deliver four new product launches during the year.

Our cash position at 31 December 2024 was £30.5m (2023: £44.1m), and the Group remains debt free.With continued cost savings, as well as our projected revenue growth from existing and new products, the Board believes that the Company's current cash balance is sufficient to reach breakeven and EBITDA profitability. We plan to update the market in H2 on our future strategy.

Lyn Rees
Chief Executive Officer
29 April 2025

FINANCIAL REVIEW

Overview
2024 was a year of integration following the acquisition of Yourgene in September 2023, which drove the year-on-year revenue growth of 85%.

Novacyt generated sales of £19.6m, an EBITDA loss of £9.1m and a loss after tax of £42.4m.

Management took a number of actions to ensure the estimated acquisition cost synergies of £5.0m were delivered, and significantly ahead of schedule. A number of additional initiatives to further reduce the cost base of the business have either completed or are in flight, which will improve the EBITDA position of the Group, not all of which will be seen until the start of 2026.

On a proforma basis, costs have reduced from a circa £27.5m annual run rate at the time of the acquisition, down to £21.1m in 2024, driven by the delivery of acquisition cost synergies and the removal of IT-IS International costs under IFRS 5.

Novacyt closed 2024 with £30.5m cash in the bank, which provides the Group with a solid foundation on which to build its future strategy.

Business combinations
The acquisition of Yourgene was implemented by way of a UK scheme of arrangement between Yourgene and its shareholders under Part 26 of the UK Companies Act 2006.

IFRS 3 provides for a period of 12 months from acquisition to complete the identification and measurement of the fair value of assets acquired and liabilities assumed. Following the conclusion of this process, Goodwill has now reduced from £19.5m to £12.1m (with other intangible assets increasing to offset it, notably customer relationships) and is now subject to an annual impairment review. Subsequently, as part of the annual impairment process, goodwill was reduced to £0.6m.

Discontinued operations
During 2024, Novacyt commenced a strategic review of the business, which included a review of the IT-IS International business. The outcome of the review lead to the closure of IT-IS International as the PCR instrumentation market had become saturated, and the business had experienced several consecutive loss-making years.

In accordance with IFRS 5, the net result of the IT-IS International segment has been reported in the line 'Loss from discontinued operations' on the consolidated income statement for FY2023 and FY2024.

Profit & Loss:

Revenue
Statutory revenue grew by over 80% in 2024, to £19.6m, as a result of the acquisition of Yourgene in September 2023.

At a business unit level, Primer Design delivered sales totalling £4.3m, broadly flat year-on-year (excluding COVID sales). Yourgene delivered sales of £15.3m.

Yourgene delivered sales of £15.3m.

On a proforma basis, excluding the impact of COVID-19, Group revenue declined year-on-year by £1.3m, driven by two key factors; i) a reduction in non-invasive prenatal testing (NIPT) services revenue following the Taiwan divestment, circa £0.3m, and ii) a reduction in sequencing revenue from a key customer, circa £1.0m.

There were differing levels of performance within the Group portfolio, with reproductive health up 26% and Ranger® consumables up 13% year-on-year on a proforma basis. Instrument sales were down year-on-year as a result of placing a large number of instruments in 2023 in the APAC region, which was not repeated to the same extent in 2024.

Gross profit
The business delivered a gross profit of £32.1m (163% margin), compared with £3.5m (33% margin) in 2023. The margin, at 163%, is inflated as a result of releasing the DHSC product warranty provision for £19.8m following the dispute settlement. Removing the impact of this one-time entry, the underlying gross profit grew to £12.3m, or 63%. The margin is back to the historic levels delivered by the Group following a period of high stock write offs/provisions that was not repeated in 2024.

Operating expenditure
Group operating costs increased by £25.8m to £41.1m in 2024, compared with £15.3m in 2023, predominantly as a result of booking a £20.0m bad debt write-off following the settlement with the DHSC. Removing the impact of this one-time entry, the underlying opex cost would have been £21.1m. On a proforma basis, 2024 opex costs are £6.4m lower than 2023, predominantly as a result of the integration cost savings that have been delivered post-acquisition and the removal of IT-IS International costs under IFRS 5.

Labour costs have increased year-on-year due to the inclusion of a full twelve months of Yourgene staff costs compared to four months (8 September onwards) in 2023, which have been partially offset by restructuring savings. The Group's opening and closing headcount for 2024 was broadly flat at around 240. However, the mix/quantity changed throughout the year driven by employee departures, as part of the restructuring programmes, offset by the influx of new, predominantly R&D, employees in Q4 2024 to help drive future organic growth.

Non-labour costs follow a similar pattern in that the year-on-year increase is due to the inclusion of a full twelve months of Yourgene costs compared to four months (8 September onwards) in 2023.

EBITDA
The Group reported an EBITDA loss of £9.1m for 2024 compared with a loss of £11.8m in 2023. The loss has decreased by £2.7m, driven by an increased underlying gross profit contribution of £8.8m as a result of higher sales, offset by a £5.8m increase in the underlying operating expenditure and a £0.2m net EBITDA impact of the DHSC settlement.

Operating loss
The Group reported an operating loss of £37.3m compared with a 2023 loss of £25.4m. Year-on-year, depreciation and amortisation charges have increased by £3.7m, to £7.4m, mainly due to the inclusion of a full twelve months of amortisation and depreciation charges on assets created as part of the acquisition.

Net other operating expenses have increased from £9.9m to £20.9m. The main items making up the 2024 charge are i) a goodwill impairment charge of £11.2m in relation to the acquisition of Yourgene, following the completion of the Purchase Price Allocation "PPA" process, ii) £7.3m of costs relating to the DHSC dispute, including the £5.0m settlement fee, iii) £1.2m of costs associated with site closures and restructuring fees (including redundancy payments), and iv) £1.2m of other expenses including divestment costs associated with the sale of the Yourgene Taiwan entity.

Loss after tax from continuing operations
The Group reported a loss after tax from continuing operations of £38.7m, compared with a loss of £24.1m in 2023. Other financial income and expenses netted to a loss of £2.1m compared with a £1.0m net income in 2023. The three key items making up the balance are i) a £2.7m net financial foreign exchange loss, mainly resulting from revaluations of bank and intercompany accounts held in foreign currencies, ii) £1.4m interest income, mostly on deposits held in bank accounts, and iii) £0.7m of interest charges on IFRS 16 liabilities. Taxation at £0.7m is predominantly a result of the movement in deferred tax.

Loss from discontinued operations
In accordance with IFRS 5, the net result of the IT-IS International business has been reported on a separate line "Loss from discontinued operations" in the consolidated income statement for 2024 and 2023.

Earnings per share
2024 saw a loss per share of £0.59 compared to a loss per share of £0.40 in 2023.

Balance Sheet:

Non-current assets
Goodwill has decreased from £21.4m in 2023 to £2.7m in 2024. The decrease is predominantly driven by the finalisation of the Yourgene acquisition accounting, which resulted in a reduction in goodwill compared to the opening value booked in the 2023 accounts and an impairment charge. The remaining movement is due to exchange revaluations on the Primer Design goodwill balance, which is not held in pound sterling.

Right-of-use assets have decreased from £11.0m at 31 December 2023 to £8.3m at 31 December 2024, mainly as a result of the annual depreciation charges and the disposal of the Taiwanese business that had a leased facility.

Property, plant and equipment has decreased by £1.8m from 31 December 2023 to £2.4m at 31 December 2024, with the two main drivers being the annual depreciation and the impact of selling the Taiwanese business.

Other non-current assets have increased by £7.3m to £17.6m as at 31 December 2024, driven by the finalisation of the Yourgene acquisition accounting, which resulted in an increase to intangible assets, predominantly customer relationships. These were partly offset by annual amortisation charges totalling £3.4m.

Current assets
Inventories and work in progress has decreased year-on-year, closing 2024 at £2.3m compared to £3.0m in 2023. The main driver for the reduction is providing for or writing off all remaining IT-IS International stock following the closure of the business.

Trade and other receivables has fallen by £31.3m to £4.7m at 31 December 2024, predominantly as a result of the DHSC settlement, whereby i) the December 2020 unpaid invoice for £24.0m has been written off as it will no longer be paid and ii) the successful reclaim of £12.2m of VAT (of which only £8.2m was recognised at December 2023) on uncollectable DHSC sales invoices as per the terms of the settlement agreement.

Tax receivables have fallen by £0.2m to £0.5m at 31 December 2024. The current balance relates to Research and Development tax credits (SME Scheme) accruals covering 2023 and 2024.

Other current assets have decreased to £1.5m, from £2.6m in 2023, with the key driver being a reduction in the prepayment position at year end. Prepayments at 31 December 2024 include the annual Group commercial insurance, rent, rates and prepaid support costs.

Current liabilities
Short-term lease liabilities are broadly flat year-on-year at £1.3m compared with £1.2m in 2023.

The short-term contingent consideration balance of £0.2m as at 31 December 2023 related to the acquisition of Coastal Genomics in Canada by Yourgene and was subsequently paid in April 2024.

Trade and other liabilities decreased to £3.8m at 31 December 2024, from £7.2m at 31 December 2023. At year end 2023 there were a number of high value accruals and trade payables outstanding, e.g. legal fees for the DHSC, which were not present at 31 December 2024.

Other provisions and short-term liabilities have fallen to £1.1m from £20.9m at 31 December 2023 as a result of the DHSC settlement, whereby the product warranty provision for £19.8m, made in relation to the dispute, has been reversed.

Non-current liabilities
Deferred tax liabilities on temporary timing differences relate to the assets acquired as part of the Yourgene acquisition in September 2023 and accelerated capital allowances. Deferred tax liabilities have increased to £4.4m, from £2.2m in 2023, as a result of the increase in intangible assets following the completion of the acquisition accounting.

Lease liabilities long-term have decreased to £10.6m, from £12.5m, as a result of rental payments made, and a £0.8m one-time impact from the disposal of the Taiwanese entity since we no longer have the lease liability. The main ongoing liabilities relate to two premises in the UK, Skelton House and City Labs, that have multi-year leases.
Other provisions and long-term liabilities have decreased to £1.5m, from £2.3m, predominantly as a result of the settlement of the Coastal Genomics earnout milestone that totalled £0.7m at December 2023.

Cash flow
Cash held at the end of 2024 totalled £30.5m compared with £44.1m at 31 December 2023. Net cash used in operating activities was £9.8m for 2024, made up of a working capital outflow of £0.7m and an EBITDA loss of £9.1m, compared to a cash outflow of £25.0m in 2023.

Net cash used in investing activities decreased to £1.9m, from £13.9m in 2023. This is a result of Novacyt completing the all-cash acquisition of Yourgene in 2023. This outflow was net of £1.1m interest income generated from the Group's cash balances during 2024, down on the prior year as its cash pile reduced.

Capital expenditure in 2024 totalled £1.9m compared with £0.7m in 2023.

Net cash used in financing activities decreased in 2024 to £1.8m compared with £3.5m in 2023, with the main cash outflow being lease payments. 2023 saw the repayment of the Yourgene SVB bank loan totalling £2.4m that did not repeat in 2024.

The Group remains debt free at 31 December 2024.

Announcement Note
The information included in this announcement is extracted from the audited Group Consolidated Accounts. Defined terms used in the announcement refer to terms as defined in the Group Consolidated Accounts unless the context otherwise requires. This announcement should be read in conjunction with, and is not a substitute for, the full Group Consolidated Accounts.

Steve Gibson
Chief Financial Officer
Novacyt S.A.

Consolidated income statement for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (*)
Continuing Operations			
Revenue		19,630	10,621
Cost of sales	5	12,444	-7,130
Gross profit		**32,074**	**3,491**
Sales, marketing and distribution expenses		-5,493	-3,593
Research and development expenses		-2,767	-2,850
General and administrative expenses	6	-40,239	-12,709
Governmental subsidies		-	154
Operating loss before other operating income/expense		**-16,425**	**-15,507**

Other operating income	7	128	31
Other operating expenses	7	-21,046	-9,973
Operating loss after other operating income/expense		**-37,343**	**-25,449**
Financial income		3,034	3,421
Financial expense		-5,121	-2,436
Loss before tax		**-39,430**	**-24,464**
Tax income		732	353
Loss after tax from continuing operations		**-38,698**	**-24,111**
Loss from discontinued operations	15	-3,060	-4,181
Loss after tax attributable to owners of the Company (**)		**-41,758**	**-28,292**
Loss per share (£)	8	-0.59	-0.40
Diluted loss per share (£)	8	-0.59	-0.40
Loss per share from continuing operations (£)	8	-0.55	-0.34
Diluted loss per share from continuing operations (£)	8	-0.55	-0.34
Loss per share from discontinued operations (£)	8	-0.04	-0.06
Diluted loss per share from discontinued operations (£)	8	-0.04	-0.06

* The 2023 consolidated income statement has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity on a single line 'Loss from discontinued operations'.

** There are no non-controlling interests.

Consolidated statement of comprehensive income for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	**Notes**	**Year ended 31 December 2024**	**Year ended 31 December 2023 (*)**
Loss for the period recognised in the income statement		**-41,758**	**-28,292**
Items that may be subsequently reclassified to profit or loss:			
Translation reserves	14	1,873	363
Total comprehensive loss		**-39,885**	**-27,929**
Comprehensive loss attributable to owners of the Company (**) from:			
Continuing operations		-36,825	-23,748
Discontinued operations		-3,060	-4,181

*The 2023 consolidated statement of comprehensive income has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity on a single line 'Loss from discontinued operations'.

**There are no non-controlling interests.

Statement of financial position as of 31 December 2024 and 31 December 2023

Amounts in £'000	**Notes**	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Goodwill	9	2,669	21,446
Other intangible assets		17,575	10,232
Property, plant and equipment		2,407	4,183
Right-of-use assets		8,294	11,036
Non-current financial assets		25	57
Deferred tax assets		[illegible]	[illegible]

Deferred tax assets		286	413
Total non-current assets		**31,256**	**47,367**
Inventories and work in progress		2,269	3,022
Trade and other receivables	10	4,717	36,034
Tax receivables		477	728
Prepayments and short-term deposits		1,452	2,601
Investments short-term		8	9
Cash and cash equivalents		30,453	44,054
Total current assets		**39,376**	**86,448**
Total assets		**70,632**	**133,815**
Lease liabilities short-term	11	1,257	1,209
Contingent consideration short-term		-	193
Provisions short-term	12	748	19,988
Trade and other liabilities	13	3,767	7,183
Tax liabilities		47	65
Other current liabilities		401	927
Total current liabilities		**6,220**	**29,565**
Net current assets		**33,156**	**56,883**
Lease liabilities long-term	11	10,621	12,495
Contingent consideration long-term		-	722
Provisions long-term	12	1,466	1,547
Deferred tax liabilities		4,445	2,241
Other long-term liabilities		-	3
Total non-current liabilities		**16,532**	**17,008**
Total liabilities		**22,752**	**46,573**
Net assets		**47,880**	**87,242**

Statement of financial position as of 31 December 2024 and 31 December 2023 (continued)

Amounts in £'000	**Notes**	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Share capital	14	4,053	4,053
Share premium account		50,671	50,671
Own shares		-113	-138
Other reserves	14	3,810	1,599
Equity reserve		1,155	1,155
Retained earnings	14	-11,696	29,902
Total equity - owners of the Company		**47,880**	**87,242**
Total equity		**47,880**	**87,242**

Statement of changes in equity for the years ended 31 December 2024 and 31 December 2023

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 income / (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	-	-	-	-	-	1,873	-	1,873	-	1,873
Loss for the period	-	-	-	-	-	-	-	-	-41,758	-41,758
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**1,873**	**-**	**1,873**	**-41,758**	**-39,885**
Own shares acquired / sold in the period	-	-	25	-	-	-	-	-	-	25
Payment in shares	-	-	-	-	338	-	-	338	-	338
Other	-	-	-	-	-	-	-	-	160	160
Balance at 31 December 2024	**4,053**	**50,671**	**-113**	**1,155**	**1,184**	**2,634**	**-8**	**3,810**	**-11,696**	**47,880**

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 2024 movement of £338k is related to the Long-Term Incentive Plan (LTIP) implemented in 2024.

Statement of cash flows for the years ended 31 December 2024 and 31 December 2023

Amounts in £'000	**Notes**	**Year ended 31 December 2024**	**Year ended 31 December 2023 (*)**
Net cash used in operating activities	17	**-9,823**	**-25,446**
Operating cash flows from discontinued operations		*-674*	*-3,069*
Operating cash flows from continuing operations		*-9,149*	*-22,377*
Investing activities			
Acquisition / sale of subsidiary net of cash acquired		-1,093	-15,429
Purchases of patents and trademarks		-580	-154
Purchases of property, plant and equipment		-1,281	-517
Sales of property, plant and equipment		22	26
Variation of deposits		-67	116
Interest received		1,139	2,023
Net cash used in investing activities		**-1,860**	**-13,935**
Investing cash flows from discontinued operations		*15*	*96*
Investing cash flows from continuing operations		*-1,875*	*-14,031*
Financing activities			
Repayment of lease liabilities		-1,862	-1,110
Repayment of bank loans		-	-2,355
Purchase of own shares - net		25	-47
Net cash used in financing activities		**-1,837**	**-3,512**
Financing cash flows from discontinued operations		*-91*	*-419*
Financing cash flows from continuing operations		*-1,746*	*-3,093*
Net decrease in cash and cash equivalents		**-13,520**	**-42,893**
Cash and cash equivalents at beginning of year		**44,054**	**86,973**
Effect of foreign exchange rate changes		-81	-26
Cash and cash equivalents at end of year		**30,453**	**44,054**

* The 2023 statement of cash flows has been restated to reflect the impact of the application of IFRS 5 relative to discontinued operations, by stating the IT-IS International activity under 'cash flows from discontinued operations'.

NOTES TO THE ANNUAL ACCOUNTS

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 131 Boulevard Carnot, 78110 Le Vésinet.

2. BASIS OF ANNOUNCEMENT

2.1 Basis of Preparation

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

2.2 Discontinued operations and assets held for sale

A discontinued operation is a component that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations,

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

(c) is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are presented in the consolidated income statement as a single amount comprising the total of:

- The post-tax profit or loss of the discontinued operation,
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, and
- The post-tax gain or loss recognised on the disposal of assets or the disposal group making up the discontinued operation.

Where material, the analysis of the single amount is presented in the relevant note (see note 15).

In the statement of cash flows the net cash flow attributable to the operating, investing and financing activities of discontinued operations have been disclosed separately.

No adjustments have been made in the statement of financial position.

Comparatives for discontinued operations are restated.

2.3 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 after having taken into account the available information they have for the future, and especially the cash forecast prepared for the next 12 months.

In preparing this cash forecast, the Directors have considered the following assumptions:

- A positive cash balance at 31 December 2024 of £30,453k;
- The business plan for the next 12 months;
- The working capital requirements of the business;
- 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 2025 up until April 2026.

Business combinations

Business combinations are accounted for using the purchase method (see IFRS 3).

Each time it acquires a company or group of companies constituting a business, the Group identifies and measures the assets acquired and liabilities assumed, most of which are carried at fair value. The difference between the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, and the net amount recognised in respect of the identifiable assets acquired and liabilities assumed measured at fair value, is recognised as goodwill.

Pursuant to IFRS 3, the Group applies the following principles:

- Transaction costs are recognised immediately as operating expenses when incurred;

- Any purchase price adjustment of an asset or a liability assumed is estimated at fair value at the acquisition date, and the initial assessment may only subsequently be adjusted against goodwill in the event of new information related to facts and circumstances existing at the acquisition date if this assessment occurs within the 12-month allocation period after the acquisition date. Any adjustment of the financial liability recognised in respect of an additional price subsequent to the intervening period or not meeting these criteria is recognised in the Group's comprehensive income;
- Any negative goodwill arising on acquisition is immediately recognised as income; and
- For step acquisitions, the achievement of control triggers the remeasurement at fair value of the interest previously held by the Group in profit or loss. Loss of control results in the remeasurement of the possible residual interest at fair value in the same way.

For companies acquired during the year, only the results for the period following the acquisition date are included in the consolidated income statement. For the financial year 2023, this applies to Yourgene Health Ltd (formerly PLC) and its subsidiaries, which were acquired on 8 September 2023.

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.

2.5.1 Critical accounting judgements

- **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 the year end, the Group had trade receivables of £3,540k against which a credit loss provision of £302k has been applied.

2.5.2 Key sources of estimation uncertainty

- **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.

The carrying amount of goodwill in the statement of financial position and related impairment loss over the period is shown below:

	Year ended 31 December	Year ended 31 December

Amounts in £'000	31 December 2024	31 December 2023
Goodwill Primer Design	5,979	6,255
Cumulative impairment of goodwill	-3,922	-4,103
Net value	2,057	2,152
Goodwill IT-IS International	9,437	9,437
Cumulative impairment of goodwill	-9,437	-9,437
Net value	-	-
Goodwill Yourgene Health (*)	11,852	19,294
Cumulative impairment of goodwill	-11,240	-
Net value	612	19,294
Total goodwill	**2,669**	**21,446**

(*) See notes 9 and 16

3. MAIN EVENT OF THE PERIOD - DEPARTMENT OF HEALTH AND SOCIAL CARE 'DHSC' SETTLEMENT IMPACT

During 2021, the Group received notification of a contract dispute between its subsidiary, Primer Design Ltd, and the DHSC. The total amount of revenue in dispute was £130,642k (£156,770k including VAT) in respect of performance obligations satisfied in 2020.

As a result, an invoice for a total of £19,964k (£23,957k including VAT) in respect of products delivered in 2020 was outstanding and its recovery was contingent on the outcome of the dispute. A product warranty provision totalling £19,753k was also booked in 2020.

In 2021, additional invoices totalling £49,034k (including VAT) were included in the dispute. In accordance with IFRS 15 "Revenue from Contracts with Customers", this amount was reversed from revenue. No bad debt provision was recognised.

On 25 April 2022, legal proceedings were issued against Novacyt and Primer Design Ltd and on 30 January 2023, the UK High Court directed Novacyt that the hearing of the case had been listed to commence on 10 June 2024.

On 11 June 2024, the Group reached a settlement with the DHSC on terms that the Group pays £5,000K to the DHSC.

Consequently, from an income statement perspective, the transactions resulted in a net loss of circa £5,000k:

i) The December 2020 outstanding DHSC invoice for £19,964k (excluding £3,993k VAT) was written off as a bad debt (see note 6 'General and administrative expenses' and note 10 'Trade and other receivables').

ii) The product warranty provision for £19,753k was reversed and the unutilised allowance was released to cost of sales in the income statement (see note 5 'Cost of sales' and note 12 'Provisions').

iii) The settlement fee of £5,000k (gross) is shown in other operating expenses.

From a cash flow perspective:

i) The Group paid £5,000k inclusive of all taxes, to the DHSC in July 2024 (visible in other operating expenses in the income statement and in "Net cash used in operating activities" in the statement of cash flows).

ii) The Group was able to reclaim circa £12,200k VAT paid to HMRC relating to the uncollectible DHSC invoices, and the cash was received in late 2024 (visible in note 10 'Trade and other receivables' and in "Net cash used in operating activities" in the statement of cash flows).

Legal and professional fees incurred in defending the claim along with product storage costs are shown in note 7 'Other operating income and expenses'.

4. 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 three operating segments, whose performance and resources are monitored separately. Following the Group's decision to discontinue the IT-IS International business in 2024, it has been treated as a discontinued operation for 2024 and the 2023 comparative period.

- **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. The operations of the business were moved to Manchester in early 2025.

- **IT-IS International**

This segment represents the activities of IT-IS International Ltd, a diagnostic instrument development and manufacturing company that specialised in the development of PCR devices for the life sciences and food testing industry, that was based in Stokesley, UK. As this business ceased trading in late 2024, this segment is being treated as a discontinued operation.

The Group's central/corporate costs that are not allocated to individual operating segments are shown below under Corporate. Where appropriate, costs are recharged to individual operating segments via a management recharge process.

Intercompany eliminations represent 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.

Headcount

The average headcount by segment is presented in the table below:

Segment	2024	2023
Yourgene Health	148	149
Primer Design	48	74
IT-IS International	19	24
Corporate	19	23
Total headcount	**234**	**270**

The reduction in Primer Design and IT-IS International headcount reflects the impact of redundancy programmes on the businesses.

Breakdown of revenue by operating segment and geographic area

- Year ended 31 December 2024

Amounts in £'000	Primer Design	Yourgene Health	Total
Geographical area			
United Kingdom	1,102	3,326	**4,428**
France	333	2,214	**2,547**
Europe (excluding UK and France)	699	2,879	**3,578**
America	772	1,906	**2,678**
Asia-Pacific	851	4,269	**5,120**
Middle East	235	523	**758**
Africa	354	167	**521**
Total revenue	**4,346**	**15,284**	**19,630**

- Year ended 31 December 2023

Amounts in £'000	Primer Design	Yourgene Health	Total
Geographical area			
United Kingdom	1,415	1,919	**3,334**
France	268	743	**1,011**
Europe (excluding UK and France)	628	815	**1,443**
America	1,076	418	**1,494**
Asia-Pacific	1,029	1,449	**2,478**
Middle East	211	222	**433**
Africa	360	68	**428**
Total revenue	**4,987**	**5,634**	**10,621**

Breakdown of result by operating segment

- Year ended 31 December 2024

Amounts in £'000	Primer Design	Yourgene Health	Corporate	Intercompany eliminations	Total
Revenue	4,346	15,284	-	-	19,630
Cost of sales	19,030	-6,634	-	48	12,444
Sales and marketing costs	-1,150	-4,035	-317	9	-5,493
Research and development	-745	-1,759	-263	-	-2,767
General and administrative	-22,665	-9,783	-390	-43	-32,881
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-1,184**	**-6,927**	**-970**	**14**	**-9,067**
Depreciation and amortisation					-7,358
Operating loss before other operating income/expense					**-16,425**
Other operating income					128
Other operating expenses					-21,046
Operating loss after other operating income/expense					**-37,343**
Financial income					3,034
Financial expense					-5,121
Loss before tax					**-39,430**

Year ended 31 December 2023

Amounts in £'000	Primer Design	Yourgene Health	Corporate	Intercompany eliminations	Total
Revenue	4,987	5,634	-	-	10,621
Cost of sales	-3,978	-3,282	-	130	-7,130
Sales and marketing costs	-2,447	-1,105	-41	-	-3,593
Research and development	-1,846	-1,004	-	-	-2,850
General and administrative	-6,030	-2,254	-716	27	-8,973
Governmental subsidies	154	-	-	-	154
Earnings before interest, tax, depreciation and amortisation as per management reporting	**-9,160**	**-2,011**	**-757**	**157**	**-11,771**
Depreciation and amortisation					-3,736
Operating loss before other operating income/expense					**-15,507**
Other operating income					31
Other operating expenses					-9,973
Operating loss after other operating income/expense					**-25,449**
Financial income					3,421
Financial expenses					-2,436
Loss before tax					**-24,464**

Assets and liabilities are not reported to the Chief Operating Decision Maker on a segmental basis and are therefore not disclosed.

In accordance with IFRS 5, the results of the IT-IS International segment for 2024 and 2023 have been reported on a separate line 'Loss from discontinued operations' in the consolidated income statement, which is shown below loss before tax and thus is not reported in the table above.

Breakdown of non-current assets by geographical area

The tables below exclude financial instruments and deferred tax assets.

- Year ended 31 December 2024

Amounts in £'000	United Kingdom	Rest of Europe	America	Asia-Pacific	Total
Goodwill	2,669	-	-	-	2,669
Other intangible assets	15,666	-	1,909	-	17,575
Property, plant and equipment	2,004	300	88	15	2,407
Right-of-use assets	7,940	255	72	27	8,294
Total	**28,279**	**555**	**2,069**	**42**	**30,945**

- Year ended 31 December 2023

Amounts in £'000	United Kingdom	Rest of Europe	America	Asia-Pacific	Total
Goodwill	9,674	4,604	6,964	204	21,446
Other intangible assets	5,585	1,285	3,358	4	10,232
Property, plant and equipment	2,948	268	514	453	4,183
Right-of-use assets	9,392	348	351	945	11,036
Total	**27,599**	**6,505**	**11,187**	**1,606**	**46,897**

5. COST OF SALES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Cost of inventories recognised as an expense	11,390	6,686
Change in stock provision	-5,790	-989
Freight costs	24	41
Direct labour	1,535	1,363
Product warranty	-19,738	-
Other	135	29
Total cost of sales	**-12,444**	**7,130**

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

In 2024, the stock provision has decreased by a net £5,790k (2023: decreased by £989k). Stock, which had previously been provided for, has been written off and disposed of during 2024 following the DHSC settlement (see note 3), with the cost being charged to 'Cost of inventories recognised as an expense' and a corresponding release of the stock provision being made.

6. GENERAL AND ADMINISTRATIVE EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Purchases of non-stored raw materials and supplies	583	301
Lease and similar payments	284	336
Maintenance and repairs	931	443
Insurance premiums	786	741
Legal and professional fees	1,811	1,707
Banking services	61	48
Employee compensation and social security contributions	6,552	4,196
Depreciation and amortisation of property, plant and equipment and intangible assets	7,358	3,737
DHSC bad debt write off	19,964	-
Management fees revenue to discontinued activities	-296	-673
Other general and administrative expenses	2,205	1,873
Total general and administrative expenses	**40,239**	**12,709**

The main driver for the year-on-year increase in general and administrative expenses relates to the bad debt write off of £19,964k in relation to the DHSC December 2020 invoice that,as per the terms of the settlement agreement in June 2024, will not be paid.

Labour costs have increased year-on-year due to the inclusion of a full twelve months of Yourgene staff costs compared to four months (8 September onwards) in 2023, which have been partially offset by restructuring savings.

Depreciation and amortisation of property, plant and equipment and intangible assets increased in 2024 due to the inclusion of a full twelve months of Yourgene charges compared to four months (8 September onwards) in 2023.

Legal and professional fees include advisors' fees, audit fees and legal fees.

Other general and administrative expenses include building rates, regulatory fees, loss on disposal of fixed assets and IT expenses.

7. OTHER OPERATING INCOME AND EXPENSES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Other operating income	128	31
Total other operating income	**128**	**31**
Impairment of Yourgene Health goodwill	-11,240	-
Impairment of Primer Design goodwill	-	-4,113
DHSC contract dispute costs	-7,273	-1,862
Restructuring expenses	-1,242	-1,593
Acquisition related expenses	-67	-1,705
Loss on disposal of Taiwan subsidiaries	-861	-349
Other expenses	-363	-351
Total other operating expenses	**-21,046**	**-9,973**

Operating expenses

Following the conclusion of the purchase price allocation process, the goodwill balance attributable to the acquisition of Yourgene was impaired by £11,240k as part of the annual impairment review process.

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.

8. 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 31 December 2024 there are no outstanding dilutive instruments.

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Net loss attributable to owners of the Company	-41,758	-28,292
Impact of dilutive instruments	-	-
Net diluted loss attributable to owners of the Company	-41,758	-28,292
Weighted average number of shares (actual amount)	70,626,248	70,626,248
Impact of dilutive instruments	-	-
Weighted average number of diluted shares	70,626,248	70,626,248
Loss per share (£)	**-0.59**	**-0.40**
Diluted loss per share (£)	**-0.59**	**-0.40**
Loss per share from continuing operations (£)	*-0.55*	*-0.34*
Diluted loss per share from continuing operations (£)	*-0.55*	*-0.34*
Loss per share from discontinued operations (£)	*-0.04*	*-0.06*
Diluted loss per share from discontinued operations (£)	*-0.04*	*-0.06*

9. GOODWILL

Goodwill is the difference recognised, upon consolidation of a company, between the fair value of the purchase price of its shares and the net assets acquired and liabilities assumed, measured in accordance with IFRS 3.

Cost	**£'000**
At 1 January 2023	31,502
Acquisition of the Yourgene Health Group of companies (*)	19,542
Disposal of Cambridge Genomics Corporation and Yourgene Biosciences Co. Ltd	-276
Exchange differences	-419
At 31 December 2023	50,349
Adjustment to the Yourgene Health goodwill resulting from the completion of the purchase price allocation process (*)	-7,475
Exchange differences	-919
At 31 December 2024	**41,955**
Accumulated impairment losses	
At 1 January 2023	-24,856
Impairment of the Primer Design goodwill	-4,113
Impairment of the IT-IS International goodwill	-262
Exchange differences	328
At 31 December 2023	-28,903
Impairment of the Yourgene Health goodwill	-11,240
Exchange differences	857
At 31 December 2024	**-39,286**
Carrying value	
At 31 December 2023	21,446
At 31 December 2024	**2,669**

(*) See additional information in note 16

Primer Design

The impairment testing of the CGU as at 31 December 2024 was carried out using the DCF method, with the key assumptions as follows:

- Five-year business plan;
- Extrapolation of cash flows beyond five years based on a growth rate of 1.5%; and
- Discount rate corresponding to the expected rate of return on the market for a similar investment, regardless of funding sources, equal to 15.1%.

The implementation of this approach demonstrated that the value in use amounted to £6,323k, which is higher than the carrying amount of all the operating assets in the CGU. As such, no impairment charge was recognised in the year ended 31 December 2024.

Yourgene Health

The impairment testing of the CGU as at 31 December 2024 was carried out using the DCF method, with the key assumptions as follows:

- Five-year business plan;
- Extrapolation of cash flows beyond five years based on a growth rate of 0.75%; and
- Discount rate corresponding to the expected rate of return on the market for a similar investment, regardless of funding sources, equal to 15.2%.

The implementation of this approach demonstrated that the value in use amounted to £23,935k, which is lower than the carrying amount of all the operating assets in the CGU. As such, an impairment charge of £11,240k was recognised in the year ended 31 December 2024.

10. TRADE AND OTHER RECEIVABLES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Trade and other receivables	3,540	27,509
Expected credit loss provision	-302	-223
Tax receivables - Value Added Tax	1,004	8,541
Other receivables	475	207
Total trade and other receivables	**4,717**	**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 been written off as it will no longer be paid, as per the terms of the settlement agreement.

The 'Tax receivables - Value Added Tax' balance has reduced following the successful reclaim of VAT paid in the UK on sales invoices that will no longer be paid by the DHSC, as per the terms of the settlement agreement.

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.

The movement in the expected credit loss provision is shown below:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Balance at the beginning of the period	223	214
Impairment losses recognised	569	260
Amounts written off during the year as uncollectible	-11	-98
Impairment losses derecognised	-40	-120
Amounts recovered during the year	-446	-36
Impact of foreign exchange	7	3
Balance at the end of the period	**302**	**223**

The split by maturity of the clients' receivables is presented below:

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Less than one month	2,848	2,579
Between one and three months	389	575
Between three months and one year	278	75
More than one year	25	24,280
Balance at the end of the period	**3,540**	**27,509**

11. LEASE LIABILITIES

The following tables show lease liabilities carried at amortised cost.

- Maturities

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Lease liabilities - Less than 1 year	1,257	1,209
Lease liabilities - Between 1 and 5 years	3,011	4,664
Lease liabilities - More than 5 years	7,610	7,831
Total lease liabilities	11,878	13,704

- Change in lease liabilities in 2024 and 2023

Amounts in £'000	Opening	Business combinations	Repayment	Non-cash movements	Sale of businesses	Closing
Changes in 2023	872	13,283	-1,110	659	-	13,704
Changes in 2024	13,704	-	-1,862	787	-751	11,878

The main liabilities relate to Skelton House and City Labs, two premises in Manchester, UK, that have multi-year leases.

12. PROVISIONS

The table below shows the nature of and changes in provisions for risks and charges for the period from 1 January 2024 to 31 December 2024:

Amounts in £'000	At 1 January 2024	Increases	Reversals	Reclass	Sales of businesses	Impact of foreign exchange	At 31 December 2024
Provision for retirement benefits	7	-	-	-	-	-	7
Provisions for restoration of premises	1,540	84	-20	-92	-45	-8	1,459
Provisions long-term	**1,547**	**84**	**-20**	**-92**	**-45**	**-8**	**1,466**
Provisions for restoration of premises	36	141	-36	92	-	-	233
Provisions for litigation	157	500	-157	-	-	-	500
Provisions for product warranty	19,795	15	-19,795	-	-	-	15
Provisions short-term	**19,988**	**656**	**-19,988**	**92**	-	-	**748**

The table below shows the nature of and changes in provisions for risks and charges for the period from 1 January 2023 to 31 December 2023:

Amounts in £'000	At 1 January 2023	Business Combinations	Increases	Reversals	Impact of foreign exchange	At 31 December 2023
Provision for retirement benefits	-	7	-	-	-	7
Provisions for restoration of premises	95	1,407	51	-15	2	1,540
Provisions long-term	**95**	**1,414**	**51**	**-15**	**2**	**1,547**
Provisions for restoration of premises	330	-	-	-294	-	36
Provision for litigation	157					157

Provision for litigation	157	-	-	-	-	157
Provisions for product warranty	19,813	-	-	-18	-	19,795
Provisions short-term	**20,300**	-	-	**-312**	-	**19,988**

Provisions short-term have 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.

Provisions chiefly cover:

- Risks related to litigations;
- The restoration expenses of the premises as per the lease agreements; and
- Product assurance warranties.

The provisions for the restoration of premises are an estimation of amounts payable to cover dilapidations at the end of the rental periods, thus at the following dates:

- Primer Design Ltd: November 2025;
- IT-IS International Ltd: December 2025;
- Yourgene Health: January 2026, August 2026, January 2028, September 2029, and February 2037 as there are multiple sites that do not have co-terminus leases.

13. TRADE AND OTHER LIABILITIES

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Trade payables	462	2,311
Accrued invoices	2,433	3,585
Payroll related liabilities	665	1,114
Tax liabilities - Value Added Tax	195	159
Other liabilities	12	14
Total trade and other liabilities	**3,767**	**7,183**

At 31 December 2023, there were a number of high value accruals/trade payables outstanding, such as legal fees associated with defending the DHSC dispute, which are not present at December 2024.

14. ISSUED CAPITAL AND RESERVES

14.1 Share capital

As of 31 December 2024 and 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.

	Amount of share capital £'000	Amount of share capital €'000	Unit value per share €	Number of shares issued
Balance at 1 January 2023	**4,053**	**4,708**	**0.07**	**70,626,248**
Balance at 31 December 2023	**4,053**	**4,708**	**0.07**	**70,626,248**
Balance at 31 December 2024	**4,053**	**4,708**	**0.07**	**70,626,248**

14.2 Other reserves

14.2 Other reserves

Amounts in £'000

Balance at 1 January 2023	**-2,017**
Transfer reserve payment in shares from "retained earnings"	3,253
Translation differences	363
Balance at 31 December 2023	**1,599**
Reserve payment in shares from "retained earnings"	338
Translation differences	1,873
Balance at 31 December 2024	**3,810**

14.3 Retained earnings/losses

Amounts in £'000

Balance at 1 January 2023	**61,445**
Loss for the year	-28,292
Transfer reserve payment in shares to "other reserves"	-3,253
Other	2
Balance at 31 December 2023	**29,902**
Loss for the year	-41,758
Other	160
Balance at 31 December 2024	**-11,696**

15. DISCONTINUED OPERATIONS

During 2024, Novacyt commenced a strategic review of the business, which included a review of the IT-IS International business. The outcome of the review resulted in the closure of IT-IS International as the PCR instrumentation market had become saturated, and the business had experienced several consecutive loss-making years.

In accordance with IFRS 5, the net result of the IT-IS International segment has been reported in the line 'Loss from discontinued operations' on the consolidated income statement.

The table below presents the detail of the loss generated by the business as of 31 December 2024 and 2023:

Amounts in £'000 **Discontinued Operations**	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Revenue	546	958
Cost of sales	-862	-719
Gross profit	**-316**	**239**
Sales, marketing and distribution expenses	-181	-357
Research and development expenses	-309	-378
General and administrative expenses	-1,333	-1,815
Governmental subsidies	5	-29
Operating loss before other operating income/expense	**-2,134**	**-2,340**
Other operating income	-	-
Other operating expenses	-805	-1,755
Operating loss after other operating income/expense	**-2,939**	**-4,095**
Financial income	116	219
Financial expense	-237	-720
Loss before tax	**-3,060**	**-4,596**
Taxation (expense) / income	-	415

Loss after tax from discontinued operations	**-3,060**	**-4,181**

16. BUSINESS COMBINATIONS

Acquisition of Yourgene Health Ltd (formerly PLC)

On 8 September 2023, Novacyt UK Holdings Limited, a wholly-owned subsidiary of Novacyt SA, completed the purchase of the entire share capital of Yourgene Health Ltd (formerly PLC), an international molecular diagnostic group. The acquisition was implemented by way of a UK scheme of arrangement between Yourgene Health and its shareholders under Part 26 of the UK Companies Act 2006.

The acquisition combines highly complementary technologies and services, with the enlarged Group able to leverage mutual research and development capabilities for ongoing product development and portfolio enhancement to improve the customer offering.

The purchase price was £16,670k, and was settled in full in cash.

IFRS 3 provides for a period of twelve months from acquisition to complete themeasurement of the fair value of assets acquired and liabilities assumed. Following completion of this activity, the main amendment is that there has been a change in the split of the intangible assets (reported preliminary fair value of £10,618k) and goodwill (reported preliminary fair value of £19,542k). The adjustments during the measurement period have been reflected in the current period and not retrospectively applied.

As a result, the fair value of the assets acquired and the liabilities assumed are now as follows:

Intangible assets	£21,000k
Property, plant and equipment	£2,844k
Right-of-use assets	£10,980k
Inventory	£2,542k
Trade receivables	£2,473k
Other current assets	£4,237k
Cash	£1,289k
Lease liabilities	-£13,283k
Bank borrowings	-£2,355k
Contingent liabilities	-£1,020k
Deferred tax liabilities	-£4,898k
Trade payables and accruals	-£13,353k
Other current liabilities	-£5,913k
Fair value of assets acquired and liabilities assumed	**£4,542k**
Goodwill	£12,128k

The table above shows how the goodwill figure of £12,128k is arrived at after allocating the purchase price across all the assets and liabilities acquired. The subsequent sale of the Taiwanese entities reduced this initial goodwill amount by £276k to £11,852k. The residual goodwill arising from the acquisition reflects the future growth expected to be driven by new and existing customers, the value of the workforce, patents and know-how.

Goodwill is a residual component calculated as the difference between the purchase price for the acquisition of control and the fair value of the assets acquired and liabilities assumed. It includes unrecognised assets such as the value of the personnel and know-how of the acquiree.

The total amount of goodwill that is expected to be deductible for tax purposes is nil.

17. NOTES TO THE CASH FLOW STATEMENT

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Loss for the year	**-41,758**	**-28,292**
Loss from discontinued operations	*-3,060*	*-4,181*
Loss from continuing operations	*-38,698*	*-24,111*
Adjustments for:		
Depreciation, amortisation, impairment loss and provisions	-202	9,643
Unwinding of discount	84	31
Losses on disposal of assets	681	1,195
Charges related to payment in shares (LTIP)	338	-
Other revenues and charges without cash impact	697	270
Income tax charge / (credit)	-732	-893
Operating cash flows before movements of working capital	**-40,892**	**-18,046**
Decrease in inventories (*)	660	2,554
Decrease in receivables	32,383	3,769
Decrease in payables	-1,209	-12,680
Cash used in operations	**-9,058**	**-24,403**
Income taxes received	373	980
Finance costs	-1,138	-2,023
Net cash used in operating activities	**-9,823**	**-25,446**
Operating cash flows from discontinued operations	*-674*	*-3,069*
Operating cash flows from continuing operations	*-9,149*	*-22,377*

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

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Decrease in the gross value of inventories	6,045	3,351
Variation of the stock provision	-5,385	-797
Total variation of the net value of inventories	**660**	**2,554**

18. RELATED PARTIES

Parties related to Novacyt SA are:

- the managers, whose compensation is disclosed below; and
- the Directors of Novacyt SA.

Remuneration of key management personnel

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023
Fixed compensation and company cars	1,264	1,176
Variable compensation	160	57
Social security contributions	147	158
Contributions to supplementary pension plans	57	33
Cash based payment benefits - LTIP	15	-
Total remuneration	**1,643**	**1,424**

Aggregate Directors' remuneration

Amounts in £'000	Year ended 31 December 2024	Year ended 31 December 2023

Fixed compensation and company cars	962	726
Variable compensation	90	-
Social security contributions	140	115
Contributions to supplementary pension plans	28	4
Total remuneration	**1,220**	**845**

Other related party transactions

Yourgene Health invoiced £48k (excluding VAT) in 2024 for goods and services to MyHealthChecked plc, a company for which Lyn Rees is a non-executive Director.

19. SUBSEQUENT EVENTS

There are no material subsequent events to report.