

NOVACYT SUCCESSFULLY COMPLETES €3.0M FUNDRAISING

***Momentum towards profitability continues through H1 2017
Investing to support increased sales demand across business***

Paris, France and Cambridge, UK – 20th June 2017 – Novacyt (ALTERNEXT: ALNOV), an international specialist in clinical diagnostics, today announces the completion of a €3.0m fundraise to invest in further growth as the company approaches profitability at Group level.

The net proceeds from the placing will be used to, inter alia, (i) invest in a new, state-of-the-art manufacturing facility (ii) accelerate investment in global commercial infrastructure further supporting continued sales growth, and (iii) meet working capital requirements associated with anticipated sales growth.

Graham Mullis, Group CEO of Novacyt, commented:

"Momentum towards profitability has continued through H1 2017 and with the increased sales demand across the business we are pleased with progress in the Company's financial performance. I look forward to updating shareholders of this financial progress in July 2017.

The Primerdesign acquisition has integrated well, delivering strong sales growth and we are confident of delivering our first CE-Mark clinical diagnostics assay on time.

"The investment in a new manufacturing facility and our global commercial infrastructure is an exciting step in the growth of the Company and will ensure we continue to make good progress against our objective of becoming a profitable and cash generative global clinical diagnostics company. I am delighted that shareholders have recognised our strong progress through their support of this €3.0m equity raise and I would like to thank them for their confidence in the future of the Company."

Fundraising Details

All business areas are performing well and, as a result, additional investment to scale the business is required to meet demand and improve efficiency.

This is of particular importance to Lab21 products, which continue to show impressive year-on-year growth following a 10% increase in H2 2016 over H1 2016. The new state-of-the-art manufacturing facility in Camberley, UK will accommodate increased manufacturing of Lab21's own manufactured products, generating sales growth in parallel with improved gross margins. This manufacturing capacity increase is required to meet the demand for new sales currently in the pipeline and from a number of new significant tenders that the Company hopes to secure during the second half of 2017.

In addition, the site will provide internal capacity for the expansion of NOVAprep®, which is forecast to show strong year-on-year growth in H1 2017, for the fifth consecutive half-year period. NOVAprep®'s continued strong sales and growing sales pipeline have resulted in the Company's decision to also accelerate investment into further commercial infrastructure, particularly in China, and in the supply chain including increasing stock levels of instruments.

Primerdesign continues to successfully integrate into the Group and is on track to meet ambitious growth targets set at the time of acquisition. Primerdesign's B2B pipeline continues to build with incremental revenues expected in the second half of the year. The Company is also making good progress in the development of its first CE-Mark clinical assay and its current market research is demonstrating an increase in the number of CE-Mark molecular product opportunities beyond the original six identified for investment.

Under the terms of the €3.0m capital raise, 3,529,679 new Novacyt shares have been issued. The share capital of Novacyt following the capital increase amounts to €1,472,482.46, representing 22,087,237 shares with a nominal value of 1/15th of a euro each. The dilution resulting from the capital raise is 16.0% compared to the 18,557,558 shares previously outstanding. The new shares will be listed on Alternext Paris and rank pari passu with existing shares under ISIN code FR0010397232.

Management remain confident in Novacyt's outlook across all areas of the business and this investment programme will allow us to capture increasing sales momentum and accelerate profitability leading up to the planned additional listing on the UK Alternative Investment Market (AIM).

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About Novacyt Group

The Novacyt Group is a leader in the field of cellular diagnostics with a growing portfolio of cancer and infectious disease products and services. Through its proprietary technology platform NovaPrep® and molecular platform, genesig® Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products across an extensive international distributor network. The Group has diversified sales from diagnostic reagents used in oncology, microbiology, haematology and serology markets, and its global customers and partners include major corporates.

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

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