

Novacyt provides a business update

Expanding NovaPrep commercialisation activities Investment in key growth regions

Paris, France and Cambridge, UK – 20th September 2016 – Novacyt (ALTERNEXT: ALNOV), an international clinically focused diagnostics company, today provides a business update for its NovaPrep business unit following the completion of the acquisition of Primerdesign in May 2016 and the Company's Research and Development (R&D) update on 5th September 2016.

Novacyt is expanding its regional commercial activities for its next generation liquid based cytology (LBC) system, NovaPrep[®], to drive further growth and increase margins. The Company expects to further improve its commercial capabilities as it prepares the business for commercialisation in 2017 of the new molecular diagnostic tests such as HPV and Zika, as mentioned in the R&D update. This commercial expansion programme seeks to increase the Company's current commercial operations and accelerate the business towards profitability, whilst targeting and investing in key growth regions across Europe and Asia.

Europe

Having completed a comprehensive business review, Novacyt has appointed an exclusive distributor, Microm Microtech France (MM France), to manage the sales of NovaPrep in France. MM France is a market leader in the anatomical pathology sector in France and has been chosen due to its extensive sales and after-sales organisation and in-market reputation. As a result of moving to an indirect sales force, the Company has optimised its cost base leading to projected cost savings in the region of €0.9m per annum at Novacyt's office in Paris. The savings will be partly reinvested in higher growth regions for the NovaPrep technology.

Founder and Chief Innovation Officer (CIO) of Novacyt, Dr Eric Peltier, has resigned from the Board and left the Company at the end of August.

James Wakefield, Chairman of the Board of Novacyt, said:

"As Founder of Novacyt, the Board recognises Eric's critical role in developing the NovaPrep technology and would like to thank him for his significant contribution in building the NovaPrep/Novacyt brand during his ten year tenure. The Board wishes Eric well for his future business endeavours."

Novacyt is pleased to announce that it has been approved by the NHS Supply Chain Group to be one of four LBC providers to the UK market, the largest European LBC testing market with over 3.5 million tests being conducted each year¹. Following this approval, the Company is now assessing ways of entering the UK market and expects to announce its commercial plans for launching in the UK by the end of the year.

Asia Pacific

The Asia Pacific cervical cancer screening market is growing at 8.1% per annum and set to be worth USD1.570 million by 2020¹. To address this opportunity, Novacyt will strengthen investments in this strategically important high-growth market for NovaPrep. Building on the Company's successful

relationship with MDL Asia (MDL), Novacyt has expanded its agreement with MDL to increase business development capacity and geographic reach in the region. In addition to this partnership, Novacyt plans to invest in its own sales force through its local subsidiary, Novacyt Asia, reinforcing its direct presence in the region. As part of this expansion programme, Novacyt has hired two senior direct sales personnel from one of the world's largest LBC manufacturers together totalling over 20 years of LBC market experience and who will operate in China and Malaysia.

MDL was appointed in March 2016 to assist as an agent in the commercial development of Asia Pacific, and has already helped deliver NovaPrep sales growth of over 196% year-to-date compared to 2015. The expanded agreement is to work with Novacyt's own direct sales force in the region and now also includes China. As a result, Novacyt's contract with Leica Biosystems has become non-exclusive as the Company invests in its own direct resource into the region.

Latin America

Latin America has one of the highest incidence and mortality rates from cervical cancer in the world², which is estimated to affect 20 to 80 per 100,000 women per year. As this region offers a significant future growth opportunity, it will be another regional expansion priority. Novacyt is therefore currently evaluating commercial partnership opportunities and expects to announce a major strategic partnership with its NovaPrep technology by the end of the year.

Regulatory Approvals

The Company has reached a new milestone in its expansion programme in the Asia Pacific region with the Australian regulatory authority, Therapeutic Goods Administration (TGA), recently approving the sale of NovaPrep in the Australian market. The Company will now capitalise on this decision to address this important strategic market. Like other stringent regulatory authorities, this approval from the TGA should assist Novacyt in accelerating other planned country approvals in the region which are expected during the next six months.

In addition, Novacyt is evaluating the approval process for its NovaPrep technology in the US market and expects to report its initial plans for seeking FDA approval during early 2017.

Graham Mullis, Group CEO of Novacyt, added:

"The integration of Primerdesign is progressing well and the enhancements made to our R&D and commercial operations provide us now with a firm foundation to drive future success. We are pleased with the continued sales growth of NovaPrep and our steady commercial investment reflects our confidence in the region. With the right people, investment and focus, we are seeing significant sales success such as in Russia where NovaPrep is currently the fastest growing liquid based cytology solution for cervical cancer screening. I look forward to updating the market with the results from these commercial initiatives as well as discussing the progress we are making in other parts of the Novacyt business."

¹ Transparency Market Research Cervical Cancer Diagnostic Tests Market

² Cancer Epidemiol Biomarkers Prev. 2012 Sep;21(9):1409-13. doi: 10.1158/1055-9965.EPI-12-0147

About Novacyt Group

The Novacyt Group is a leader in the field of cellular diagnostics with a growing portfolio of clinically focused cancer and infectious disease products and services. Through its proprietary technology platform NovaPrep[®], q16 molecular platform and strong international network Novacyt is able to provide an extensive range of oncology and infectious disease diagnostic products. 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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