

Chairman's Statement



James Wakefield
Chairman

2021 highlights

- The Company remains debt free with a cash position at 31 December 2021 of £101.7 million.
- David Allmond appointed as Chief Executive Officer and strengthened Executive team and commercial operations to support future growth.

During 2021, we continued to respond to the ever-changing COVID-19 pandemic requirements with speed and agility. At the start of the year, it was extremely difficult to predict exactly what the requirements and the levels of demand would be, but we were aware that relative to 2020, we would need to gradually diversify away from UK contracts supplying COVID-19 products and seek to service a wider geographic area with a broader range of related products, whilst continuing to develop our COVID-19 product portfolio. This journey has started well and the financial results support this.

Our rapid response to the COVID-19 virus is a testament to the Group's core competency of in-vitro diagnostic design, development, manufacturing and commercialisation, and being able to act quickly. I am extremely proud of the Novacyt team who were able to respond in this manner.

Our highly experienced staff developed further products in our test portfolio keeping up with new strains of the COVID-19 virus as these materialised during the year. At the same time, a number of other R&D projects were ongoing to ensure that we develop a product portfolio which is fit for purpose in the post COVID-19 period. This is obviously a dynamic and ongoing exercise.

On behalf of the Board, I would like to thank Graham Mullis for his significant commitment and contribution to the Group over the last 14 years. I would also like to welcome the newly appointed CEO David Allmond who joined us on 18 October 2021. A number of new senior hires were made during the year to ensure the necessary expertise is in place to take the business to the next level on a maintainable basis.

We remain committed and focused on becoming a leading, global clinical diagnostics company in the fight against infectious diseases, as we build towards the next phase of growth. We will continue to make a significant contribution to global health, whilst seeking to continually deliver value to our Shareholders. We are investing in non-COVID-19 product development to tackle high unmet needs and bolster our business development efforts, with a strengthened organisation and a clear strategic focus.

Novacyt has a track record of speed and agility in delivering critical products, as demonstrated in its response to the COVID-19 pandemic, and previous outbreaks including Zika, H1N1 (swine flu), and Ebola.

During the 2021 period under review, we generated revenues of £95.8 million excluding £40.8 million of DHSC revenues which are under contractual dispute, which is explained in the financial section of this report. The Company remains debt free with a cash position at 31 December 2021 of £101.7 million.

We are delighted to be working with Allegra Finance



The Company is listed on two stock exchanges: Euronext Growth Paris and AIM London. As such, the Board remains committed to maintaining the highest standards of transparency, ethics and corporate governance, whilst also providing leadership, controls and strategic oversight to ensure that we deliver value to all our stakeholders.

Finally, I would like to take this opportunity of thanking you, the Shareholders, for your continued support, and also to thank the Board, the Executive management team and all of our staff for their commitment and contribution to the business and, in particular, to the role that Novacyt has and continues to have in testing during this global pandemic.

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as our French listing sponsor, SP Angel Corporate Finance LLP as our Nominated Advisor/Broker, together with Numis as our joint broker.

The Board continues to review its strategy to focus on its core strengths of in-vitro diagnostic product development, commercialisation and contract manufacturing by driving value from its profitable Primerdesign business. The Company commenced a review of its Lab21 and Microgen businesses at the start of 2022 to consider the merits of maintaining multiple corporate entities versus a simplified business model and brand. Following conclusion of the review, Novacyt is proposing to discontinue both businesses, which is anticipated to be cash neutral. We intend to continue to grow both organically and through selective acquisition.

We are not proposing to pay a dividend for the financial year ended 2021 and our ongoing dividend policy will form part of a wider review of capital allocation, which will be formulated in conjunction with the requirements for continued investment in the business for future business growth to maximise Shareholder value as well as the prevailing financial conditions in the markets in which the business operates.



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