

**EKF Diagnostics Holdings plc  
("EKF" or the "Company")**

**£2.18m Acquisition of Argutus Medical Limited**

EKF Diagnostics Holdings plc (AIM: EKF), the AIM listed point-of-care diagnostics business, announces that it has acquired the entire issued share capital of Argutus Medical Limited ("Argutus"), a world leader in the discovery and development of novel biomarkers of organ injury, for £2,182,750 in shares.

**Highlights:**

- Argutus, is a world leader in the discovery and development of novel biomarkers of organ injury and in particular, urinary biomarkers for the early detection of acute kidney damage
- Consideration of £2,182,750, to be satisfied by the issue of 9,731,387 EKF shares, at 22.43p per share, on completion
- Argutus' products are complementary to the existing operations of EKF, especially with regards to the early detection of kidney damage in diabetics
- EKF's third acquisition demonstrates management's ability to execute its buy and build strategy

**Introduction**

The Company has acquired, conditional only upon admission to AIM of the consideration shares, the entire issued share capital of Argutus for a total consideration of £2,182,750. The consideration is to be satisfied by the issue of 9,731,387 new ordinary shares in EKF ("New Ordinary Shares"), at a price of 22.43p per share. Application will be made for the New Ordinary Shares to be admitted to AIM and dealings are expected to commence on 7 December 2010.

**Information on Argutus**

Argutus, based in Dublin, was originally a division of Biotrin Holdings Limited and was acquired in July 2008 by its management team and Enterprise Ireland (together the "Vendors").

Argutus develops and markets biomarkers for the early detection of kidney injury and failure. To date, the business has generated revenue through the sale of its products to clinical trial and research companies for testing of injuries to both animals and humans. Its focus, going forward, is on developing

into point of care platform products for both kidney damage and as an indicator of kidney failure by diabetic patients, a far larger market.

Following completion of the Acquisition, the Chief Executive Officer of Argutus, Cormac Kilty, will become Chief Technical Officer, further strengthening the Group's management team.

The audited results of Argutus for the year ended 30 June 2010, recorded revenue of €1.2 million (c. £1m), and losses before tax of €727,000 (c. £606k). As at 30 June 2010, net assets were €428,000 (c. £357k).

### **Lock-in Arrangements**

The Vendors have agreed not to sell any of the New Ordinary Shares during the first anniversary following completion of the Acquisition. In addition Cormac Kilty and two of the other individual sellers have agreed soft lock-in arrangements not to sell any more than 25 per cent of their New Ordinary Shares until the second anniversary of completion of the Acquisition.

Julian Baines, EKF's CEO, commented:

*"The acquisition of Argutus is a very exciting opportunity for EKF and, as our third acquisition, it demonstrates that we are delivering on our strategy of building a leading diagnostics business through both acquisition and organic growth. In addition to strengthening our IP position, Argutus gives us the opportunity to detect kidney problems substantially earlier than currently marketed products, which fits well into our strategic goals in the Point of Care market."*

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