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EKF Diagnostics Holdings PLC  
04 March 2013

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

**Establishment of EKF Molecular Diagnostics &  
Acquisition of 360 Genomics Limited**

EKF Diagnostics Holdings plc (AIM: EKF), the point-of-care diagnostics business, announces that it has established a new subsidiary, EKF Molecular Diagnostics Limited ("EKF Molecular"), to focus on molecular and companion diagnostics.

EKF also announces the acquisition of 360 Genomics Limited ("360 Genomics"), a business that develops diagnostic technologies for cancer gene detection, by EKF Molecular for an initial consideration of £1.6m to be satisfied through the issue of new EKF shares. 360 Genomics has been acquired from Oxitec Limited, Dr Guoliang Fu, H2O Venture Partners, Bruce Savage and Benjamin Cobb (the "Vendors").

The initial consideration of £1.6m will be satisfied by the issue of 5,649,717 new ordinary shares in EKF at an issue price of 28.32 pence per new ordinary share, being the average of the middle market quotation for the ordinary shares of EKF for the last ten business days. Additional consideration payments up to a maximum of £8m in cash will become payable to the Vendors as a percentage (ranging between 10% and 20%) of the portion of net aggregate revenues of 360 Genomics products which exceed £8m up until the year ended 31 December 2019.

In addition, Andrew Webb has joined EKF as Chief Executive Officer of EKF Molecular, a non-Board appointment. Andrew joins from QIAGEN where he established and led global market development for the high growth personalised healthcare business, launching industry leading products such as the FDA approved KRAS companion diagnostic to support the prescription of novel therapies in oncology. Previously, Andrew was an executive director at DxS, the pioneering personalised healthcare company, where he had commercial lead from the company's inception until its sale to QIAGEN in 2009 for a consideration of up to US\$ 130 million. Andrew has subscribed for £200,000 of convertible loan notes in EKF Molecular. If these loan notes are converted EKF would hold 80% of EKF Molecular and Andrew would own 20% of EKF Molecular. Andrew has the option to convert the loan note up until 31 December 2017.

Application will be made to the London Stock Exchange for the new Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the

5,649,717 new Ordinary Shares to AIM will become effective on, or around, 8 March 2013.

**About 360 Genomics Limited ("360 Genomics") - [www.360genomics.net](http://www.360genomics.net)**

360 Genomics is a developer of diagnostic technologies to ensure timely and appropriate therapies for cancer patients. 360 Genomics has a pipeline of analytical tests for the detection of mutations in key cancer genes that are far more sensitive than existing chemistry platforms, and at a cost that is favourable with current point of care systems.

360 Genomics have developed their flagship technology, PointMan™, which provides a reliable and highly sensitive determination of the presence or absence of a point mutation, which is a random mutation that occurs at one point in the DNA sequence. Such mutations may cause cancer however they are also valuable in guiding drug treatments for cancer. PointMan™ works by targeting the PCR (Polymerase chain reaction) towards the mutant sequence whilst suppressing the amplification of the non-mutated sequence and this means that these enriched samples contain artificially high levels of mutated DNA, significantly enhancing detection. This drives the sensitivity of the PointMan™ technology far beyond existing PCR technology (PointMan™ can detect 1 mutant gene in 100,000 normal gene copies against the nearest technology that detects 1 in 100). The efficiency of PointMan™ therefore maximises the use of smaller biopsy samples as well as allowing multiplexing of mutations in a single test rather than many individual tests as current competing technologies do.

The PointMan™ technology is currently proving extremely effective in tumour biopsies and is showing great potential in enabling these analyses from a peripheral sample such as blood. DNA tests are rapidly being adopted by clinicians seeking to predict which patients will respond to the next generation of cancer therapies. Current examples of these companion diagnostics are tests for the cancer genes KRAS (detected in colorectal cancer and non-small cell lung cancer), EGFR (detected in non-small cell lung cancer) and BRAF (detected in melanoma and colorectal cancer). Genetic changes in these genes are clinically proven to guide the prescription of novel cancer drugs such as Erbitux® (Eli Lilly) and Vectibix® (Amgen) in colorectal cancer; and Iressa® (AstraZeneca), Tarceva® (OSI Pharmaceuticals) and Zelboraf® (Genentech) for metastatic melanoma.

Sales of PointMan™ are currently being made for Research Use Only and as such are minimal to date. The loss before tax for 360 Genomics for the year ending 31 July 2012 was £0.02m and the gross assets as at that date were £0.02m.

**EKF Molecular Diagnostics Limited**

EKF Molecular has been set up to offer innovative products with the potential to change current DNA extraction and detection practices allowing EKF to address the fast growing companion diagnostics market. Companion Diagnostics are used to distinguish between which patients are most likely to benefit from a

particular therapy or those patients where the therapy will prove ineffective or even harmful.

EKF Molecular will offer customers in the pharmaceutical, academic and diagnostic sectors a quicker, less expensive, cleaner and automatable platform for DNA extraction technology through its Arcis Biotechnology Holdings Limited licence. This technology combined with the higher sensitivity of DNA detection techniques brought by the 360 Genomics acquisition will enable the Company to achieve a leading position in the companion diagnostics market, particularly within clinical trials incorporating gene mutation analysis. The BRAF and KRAS DNA enrichment products based on PointMan™ will be launched before the summer with a pipeline of cancer mutation kits in development for launch later in the year. Second generation products combining the Arcis technology will provide additional customer benefits by simplifying the workflow in sample preparation thereby giving faster results.

**David Evans, Executive Chairman of EKF, commented:** *"I indicated last year our intention to adopt a more entrepreneurial approach to innovation within EKF and I am pleased to see this bear fruit with the establishment of EKF Molecular. It is a considerable coup to not only attract Andrew Webb away from QIAGEN to establish this new division, but also to be able to create an entrepreneurial environment whereby he can thrive and is directly incentivised to grow this new business. We are continuing to seek similar opportunities whereby we can attract exceptional leaders into EKF and enable both them and EKF shareholders to benefit under the EKF umbrella."*

**Julian Baines, CEO of EKF commented:** *"This acquisition, and the establishment of EKF Molecular, demonstrates our intent to rapidly address the molecular and companion diagnostics market, which we believe is an area of future potential growth. Also the structure of the deal ensures that Andrew is incentivised to drive the business forward and provides EKF with a novel means to bring top quality people into the business."*

*"The advancement of companion diagnostics, where we intend to be at the forefront, is a situation where everyone wins: patients get better diagnosis which leads to better treatments and survival rates; doctors see increased patient safety and can make better informed decisions about treatments; healthcare providers and insurance companies will see better patient outcomes for reduced costs and pharmaceutical companies will be able to gain easier regulatory approval and a quicker time to market for their drugs."*

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## **About EKF Diagnostics Holdings plc**

EKF Diagnostics Holdings plc was formed in July 2010 following the acquisition of EKF-diagnostic GmbH for €14.32m and refocused its strategy to one of building a substantial point of care diagnostics business. As part of this strategy, the Group has integrated three further acquisitions, Quotient Diagnostics Limited (acquired in October 2010 for a maximum of £5.41m), Argutus Medical Limited (acquired in December 2010 for £2.18m) and Stanbio Laboratory L.P. (acquired in June 2011 for a maximum of US\$25.5m).

The Company, with its head office in Cardiff and operations in London, Germany, Poland, Russia, Ireland and the US, is a leading diagnostics business, focused on the development, production and distribution of chemical reagents and analysers for the testing of Glucose, Lactate, Haemoglobin, Haematocrit and HbA1c.

In May 2011 EKF entered into a distribution agreement with Alere Inc ("Alere"), a global diagnostics company, under which Alere was appointed the exclusive distributor of EKF's CLIA waived Hemo\_Control device and cuvettes in the US, Canada and United Kingdom. The device is distributed in the US under the name HemoPoint H2.

For more information please visit the website: [www.ekfdiagnostics.com](http://www.ekfdiagnostics.com)

This information is provided by RNS  
The company news service from the London Stock Exchange

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