

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

**Trading update and potential Board Appointment**

EKF Diagnostics Holdings plc (AIM: EKF), the AIM listed point-of-care, central laboratory and molecular diagnostics business, provides the following trading update for the year ended 31 December 2014.

**Trading for year ended 31 December 2014**

Despite being a year of substantial progress for the business with the establishment of a solid platform for further growth in 2015, the financial results for the year ended 31 December 2014 are expected to be below consensus expectations. The Company expects that unaudited revenues for the year to 31 December 2014 will show at least an increase of 24% on the previous year to £39.5m (2013: £31.8m). The second half is expected to show a substantial improvement on the growth seen in the first half of the year, despite the continued negative impact of exchange rates which is estimated at c. £1.9m over the year. Unaudited adjusted EBITDA is expected to be at least 29% up on the previous year at £6.2m (2013: £4.8m). Excluding the effect of exchange rates, revenue would have been expected to be up at least 30% year on year and adjusted EBITDA would have been expected to be up at least 37%.

The cash position of the Company remains strong, with unaudited cash balances as at 31 December 2014 expected to be in excess of £8.5m, with a net cash position of around £3.0m (30 June 2014: net cash of £5.2m).

The acquisitions made during the year (DiaSpect, Selah Genomics and STI) are expected to contribute at least £6.1m to overall revenues and to collectively contribute to earnings; this is lower than expected for DiaSpect and Selah Genomics but we are confident that traction gained in Q4 2014 has established a solid foundation for future revenue growth in the coming year. Despite the impact of exchange rates, the Company expects to record organic revenue growth in the rest of the business of at least 5% over the whole year and at least 13% growth in the second half of 2014 compared to H2 2013.

**Outlook and potential Board Appointment**

The Company remains confident of strong growth in 2015, both from the continued strong organic growth, but also through a full year contribution from

the three recent acquisitions.

2015 will see the additional benefits of revenues from tender orders that were expected to complete before the current year end, the increased contribution from newly launched test panels from the Molecular Diagnostics division, and additional revenues in Asia following regulatory approval for products in China and Japan. The Company will also benefit from a full year of operational savings following the transfer of production of Quo-Test and Quo-Lab instruments and reagents cartridges to the Barleben manufacturing site.

As announced on 11 November 2014 Ron Zwanziger, founder and ex-CEO of Alere Inc., has established a significant shareholding in the Company. Discussions are ongoing with a view to him joining the Board in the near future as Non-Executive Chairman. David Evans would remain on the Board as Executive Deputy Chairman. A further announcement will be made regarding the prospective appointment in due course.

EKF will provide a more detailed year end trading update before the end of January 2015 and will announce its preliminary results for the year ended 31 December 2014 in March 2015.

**Julian Baines, CEO of EKF commented:** *"We are expecting to deliver a solid performance over the year with earnings still expected to be up by nearly a third. In particular, the final quarter revenues of 2014 are expected to be at least £14.2m, by far our strongest performing quarter ever and this is a good indication of the momentum that we are building across the Company. We are now well placed to drive further growth in the next financial year and I look forward to providing a further update following the year end."*

#### **Enquiries:**

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#### **About EKF Diagnostics Holdings plc - [www.ekfdiagnostics.com](http://www.ekfdiagnostics.com)**

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 September 2010), Argutus Medical Limited (acquired in December 2010) and Stanbio Laboratory L.P. (acquired in June 2011). In 2013 EKF established a new subsidiary, EKF Molecular Diagnostics Ltd, to focus on molecular and companion diagnostics and acquired 360

Genomics Ltd, a business that owns diagnostics technologies for cancer gene detection.

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

In March 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.

In March 2014, EKF acquired Separation Technology, Inc., a Florida based manufacturer of in vitro diagnostics devices for the haematology testing market. In April 2014, EKF completed the acquisitions of Selah Genomics Inc., a US based developer of molecular diagnostics for personalised medicine and DiaSpect Medical AB., a Swedish based manufacturer of point-of-care haemoglobin analysers.

This information is provided by RNS  
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