

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

Trading update

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

As previously announced on 17 December 2014, the business made substantial progress in the second half of last year and has established a solid platform for further growth in 2015.

The Company now expects results for the year ended 31 December 2014 to be at the higher end of previous management guidance, with unaudited revenues of around £40.1m, a 26% improvement on the previous year (2013: £31.8m) despite revenues being impacted negatively by exchange rate differences of £2.6m. Unaudited adjusted EBITDA is expected to be up 31% to £6.3m (2013: £4.8m).

These results reflect the strong performance of the business in the second half with H2 2014 revenue of £23.3m, up 38% against the same period in 2013, and a 39% improvement on the previous half, H1 2014. Underlying organic revenues accounted for £33.6m of total revenues which represented 6% organic growth year-on-year.

The point of care business continues to perform well, with growth being seen across most products. In particular, QuoLab instrument sales are expected to be up more than 30% on the previous year, production being able to meet strong demand following the successful transfer of manufacturing to our Barleben facility, and Biosen instrument sales are expected to show an increase of more than 25% on the previous year, mainly due to strong growth in Asia.

The unaudited cash position at 31 December 2014 was £8.3m, and the net cash position was £2.4m (30 June 2014: net cash of £5.2m). Total unaudited trade debtors at 31 December amounted to £12.0m (2013: £4.8m) reflecting a strong final month and quarter.

As highlighted above, the trading year ended well, with the Company recording

a particularly strong December due to an increasing monthly contribution from the acquisitions made during the year. Overall, acquisitions contributed £6.4m to revenues. Selah contributed £3.0m to full year revenues and is beginning to gain traction, particularly with its DME panel as well as through the launch of additional testing services. Selah recorded sales of £0.8m in December, its best monthly performance to date under EKF ownership, and the Company anticipates that this level of sales will be exceeded in January 2015. This steadily increasing monthly run-rate bodes well for the Company's ability to deliver continued substantial growth through 2015 as a whole.

Whilst we had a slower than expected start from the acquisitions, the progression to a monthly run rate more in line with management's initial expectations is very encouraging. The initial Selah purchase agreement was drafted to accommodate a reduction in deferred consideration payments if certain performance targets were not met; the lower than anticipated sales from Selah is likely to result in the year 1 earn-out payment of \$17.5m not being payable. In addition and as announced on 5 January 2015, the Company agreed to make a cash payment of £1.425m as final settlement for the total deferred cash consideration due in relation to the Diaspect acquisition, versus the maximum deferred consideration which would have totalled £4.75m.

Selah's PrecisionPath™ service, which provides a range of clinically validated biomarkers that can be used to design specific personalised treatment plans for cancer patients, represents a huge opportunity for growth and a major US pilot for profiling colon cancer patients is progressing well. This has the potential to become a very high margin reimbursable testing service and the Company will keep shareholders updated as this progresses. Selah is also in the final stages of agreeing a major collaboration which could make the latest genetic sequencing for colon cancer available to community doctors, allowing them to directly prescribe the most effective treatments based on the patient's unique genetic make-up. An update will be provided as this agreement is concluded.

The improved performance at Selah and the continued traction that their testing panels are having with clinicians in the US is very encouraging. The progress being made with PrecisionPath and the continued development of the commercial offering of PointMan™ provides the Company with confidence that 2015 will be a very significant year for establishing the credentials of the EKF Molecular Diagnostics division and a considerable generator of shareholder value.

With the successful transfer of production of Quo-Test and Quo-Lab instruments and reagents cartridges to the Barleben manufacturing site and the closure of the Dublin site, the Company expects to benefit from operational savings in the region of £0.75m annually. In addition, work has now begun on expanding the Barleben site which will provide increased production capacity. As production levels rise the Company expects this to have an additional positive impact on product margins, as well as creating further overhead efficiency opportunities. The Company will also continue to integrate the acquisitions made in 2014 and to exploit cross-selling initiatives and cost efficiency opportunities.

Outlook

The Company remains confident of progress and growth in 2015, both as a result of strong organic growth, and also through a full year contribution from the three strategic acquisitions, particularly the increasing monthly run-rate being generated through Selah.

The Company continues to expect to see the benefits of revenues from tender orders that were anticipated to complete before the current year end. A number of new product launches have been scheduled for 2015, alongside various product enhancements, and a number of key geographic registrations are currently nearing conclusion which will collectively help drive 2015 revenues.

Julian Baines, CEO of EKF, commented: *"I am very pleased with the revenue and earnings growth that we delivered during 2014. These were well above the average growth rates for the IVD industry although as a whole it fell short of our own ambitious growth targets. I am particularly encouraged by our strong finish to the year and the early signs that this momentum is carrying over into 2015. As we move forward into the new financial year, we believe we can continue to grow the business well beyond the average growth rates for the industry.*

"The coming year has the potential to be a period of substantial and sustained growth for EKF and the key to our success in 2015 will be built on the strong foundations laid in the final quarter of 2014 in both our point of care and molecular divisions. As a Board we are very mindful of the need to deliver against realistic growth targets and, whilst we will remain dependent upon external regulatory bodies, we will deliver and build shareholder value. It is clear from Shareholder feedback that our focus this year should remain on driving organic growth across the business and we have no acquisition plans for 2015."

EKF will announce its preliminary results for the year ended 31 December 2014 on 16 March 2015.

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About EKF Diagnostics Holdings plc - 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.

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