

RNS Number : 9585Z
EKF Diagnostics Holdings PLC
02 June 2016

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

AGM Statement

Christopher Mills, EKF's Non-Executive Chairman, will make the following statement at the Company's Annual General Meeting, to be held at 11.00am today at the offices of Harwood Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD:

I am pleased to report that the good progress made by the Company during the first quarter has continued into April. Sales and EBITDA remain ahead of budget and substantially ahead of last year on a like-for-like basis.

Since I became Non-Executive Chairman, the Company has started a strategic review to improve profitability. Already some £250,000 of annualised expenses have been taken out of the business. In May the decision was made to close our Florida factory and move the business to Texas. Although there will inevitably be some short term one-off costs, it is expected this will result in annualised savings of £700,000 per annum.

A number of new initiatives which had been postponed are now being pursued, although it is unlikely there will be any meaningful impact on profits or revenues in the current year.

Working capital remains a priority and the Company has this morning agreed to place approximately 42.2 million shares by accelerated book build through Panmure Gordon. This will enable us to repay our debt to North Atlantic Smaller Companies Investment Trust PLC and free up banking facilities to allow us to move cash around the Company on a timely basis. A key priority remains the reduction of our excess inventory which will take time, although there can be no assurance that this will be done at current book value. However, notwithstanding this, it is expected that the Company will become debt free during the course of 2017.

Inevitably there is still much to do and your management team is reviewing further options to increase profitability over the coming year. I look forward to the future with confidence.

EKF Diagnostics Holdings plc
Julian Baines, CEO
Richard Evans, FD & COO

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