



RNS Number : 8103R
EKF Diagnostics Holdings PLC
10 March 2021

*This announcement contains inside information
for the purposes of Article 7 of Regulation (EU) No 596/2014 (MAR)*

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

Executive Performance Bonus

EKF Diagnostics Holdings plc (AIM: EKF), the AIM listed point-of-care business, announces that, further to the announcement on 5 August 2020 and reflecting the continued value creation for shareholders in the current financial year, the Company's Remuneration Committee ("RemCo") has determined that it is appropriate that the Executive Directors receive an equal performance-related payment of approximately £500,000 each (the "Bonus").

The Company currently operates a cash-settled, share based incentive scheme (the "Incentive") for the Company's CEO and Finance Director (the "Executive Directors"), which is designed to pay out in the event that the Company is acquired by a third party (an "Exit"). The Bonus recognises the further significant delivery by Executive Management, in the absence of any other performance-related pay mechanism, and substitutes value creation as the relevant trigger for payment on this portion of the Incentive. The Bonus has been calculated using a 4.4 pence increase over the baseline share price used in the Scheme which was reset in August 2020 to 29 pence. Based on the closing mid-market price of 71.75 pence on 31 December 2020, EKF's share price has improved by 31.1% since 5 August 2020. In addition to the performance of the EKF price, shareholders who have remained on the Company's register have also benefitted significantly from the distributions *in specie* of the Company's interest in Renalytix AI plc ("RENX") at the time of its IPO in late 2018 and its subsequent price appreciation (which as of 9 March 2021 amounted to over 850%), as well as the subsequent entitlement to the distribution made by RENX of its original interest in Verici Dx plc which floated in late 2020, experiencing share price appreciation of approximately 340% from IPO to 9 March 2021.

Following payment of the Bonus, RemCo considers that the remaining unpaid amounts under the Incentive continue to provide strong motivation to the Executive Directors, who will receive a further potential variable reward in the event of an Exit, equal to 5% of the excess value obtained over the revised baseline price of 33.4 pence per share.

Any future amounts payable to the Executive Directors under the Incentive in the event of an Exit take into account previously paid amounts through the resetting of the baseline price. Accordingly, the aggregate amount payable to the Executive Directors under the Incentive is unchanged by the payment of the Bonus and the total value available to Shareholders on an Exit is unaffected by the prior, partial

utilisation of the Incentive to provide performance-related pay.

Further disclosure will be made in the Company's next Annual Report as to the independent assessment of the carrying value of the Incentive arrangement following the above payment.

Following the payment of the dividend of £4.6m in December 2020, the earlier investment of £3.8m in Trellus Health Limited, and the proceeds from the sale of Renalytix AI plc shares of £7.7m, the Company's net cash at 31 December 2020 was in excess of £21m (as announced in the trading update of 12 January 2021). The Company therefore remains very well capitalised to execute its plans and continues to generate strong operating and net cashflows. As previously announced, the Company expects to pay a dividend again in December 2021 and expects to implement a progressive dividend policy.

Related party transaction

The Bonus is considered to represent a related party transaction pursuant to Rule 13 and Rule 16 of the AIM Rules for Companies. The Non-executive Directors, having consulted with N+1 Singer as the Company's nominated adviser, consider the terms of the Bonus to be fair and reasonable in so far as shareholders are concerned.

*The persons responsible for arranging the release of this Announcement on behalf of the Company
are Julian Baines, CEO, and Richard Evans, FD and COO respectively.*

EKF Diagnostics Holdings plc
Christopher Mills, Non-executive Chairman
Julian Baines, CEO
Richard Evans, FD & COO

www.ekfdiagnostics.com
Tel: +44 (0) 29 2071 0570

N+1 Singer (Nominated Adviser and Broker) Tel: 020 7496 3000
Aubrey Powell / George Tzimas / Tom Salvesen

Walbrook PR Limited (Financial PR) Tel: +44 (0) 20 7933 8780 or ekf@walbrookpr.com
Paul McManus / Lianne Cawthorne Mob: +44 (0) 7980 541 893 / +44 (0) 7584 391 303

About EKF Diagnostics Holdings plc (www.ekfdiagnostics.com)

EKF Diagnostics Holdings plc specialises in the development, production and worldwide distribution of point-of-care analyzers and clinical chemistry reagents for use in hospital and research laboratories, doctor's offices, blood banks and for in-field anaemia screening programmes. EKF is also a bulk manufacturer of enzymes and has custom manufacturing facilities in the USA for a variety of life science products.

In 2020, EKF developed a range of COVID-19 testing products including PrimeStore MTM, an FDA-approved and CE marked sample containment device that allows the safe handling, transportation and analysis of test swabs and samples, which it manufactures under licence, and COVID-SeroKlir, a leading ELISA-based antibody test from Kantaro Biosciences that provides a precise measurement of COVID-19 IgG

antibodies.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCGPURPWUPGGGU admin Executive Performance Bonus 31698772 A Wed, 03/10/2021 - 11:45
LSE RNS Company Announcement - General EKF