



13 June 2022

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

### Update on strong cash position

EKF Diagnostics Holdings plc (AIM: EKF), the AIM-listed global diagnostics business, provides an update following the strengthening of its cash position.

Within its final results announcement, released on 29 March 2022, the Company disclosed that working capital for the period ended 31 December 2021 grew by £6.7m, *“particularly as a result of additional inventory carried in the USA”*. This inventory increase included inventory associated with COVID-related contract manufacturing services in the US. The Company can confirm that it has now received a cash payment of \$5.5m in relation to this inventory.

The accounting effect of this payment will represent an enhancement to both revenue and adjusted EBITDA for the current financial year ending 31 December 2022, however the quantum of the enhancement is not yet confirmed. Therefore, the Board is not seeking to change guidance to analysts on trading and outlook for 2022 at this stage, but expects to provide an ordinary course of business update within the interim results announcement in September.

The Group’s cash, net of borrowings, as at 31 May 2022 increased to £21.2m from £19.6m at the prior year end. The more recent figure takes into account the receipt of these inventory-related funds, while also reflecting the successful execution of the Company’s £4m buyback programme (whereby 9,000,000 ordinary shares were bought back and cancelled) and a further £2.5m investment in Verici Dx plc (AIM: VRCL).

**Commenting Mike Salter, Chief Executive Officer of EKF, said:** *“We are very pleased to confirm this additional boost to our already strong cash position. The receipt of this cash payment is a significant move towards a clean break from COVID-related services for our Contract Manufacturing business as we transition into new areas. Our strong cash position allows us to continue to execute our strategy of investing for sustainable future growth.”*

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

EKF is a leading global diagnostics business with custom manufacturing facilities across sites in the US, UK and Europe for a variety of life science products. EKF is focussed on the following areas:

##### **Point-of-Care**

Providing a portfolio of Point-of-Care analysers and consumables, particularly for use in the area of Hematology and Diabetes, for use in hospital and research laboratories, doctor's offices, blood banks and for in-field anaemia screening programmes. EKF has an estimated 80,000 hemoglobin, hematocrit, HbA1c, glucose and lactate analysers in regular use across more than 100 countries.

##### **Central Laboratory**

Clinical chemistry, Small lab analysers, Centrifuges

*Beta-Hydroxybutyrate ( $\beta$ -HB) LiquiColor, Glycates Albumin, Glycated Serum Protein, Nitro-tab, Procalcitonin*

<b>Life Sciences</b>	Enzyme fermentation, Custom products and Bulk fermentation
<b>Contract Manufacturing</b>	Bulk formulation, Sample collection kits, Private labelling, Molecular and forensic kits
<b>Laboratory Services</b>	In September 2021, EKF completed the acquisition of Advanced Diagnostic Laboratory LLC ("ADL Health"), a Texas based testing laboratory certified under the Clinical Laboratory Improvement Amendments ("CLIA") for high complexity testing. The laboratory provides testing for a variety of clinical, forensic and microbiological sample types using a range of analytical techniques. This acquisition positions EKF as a leading 'one stop' provider of diagnostic products and services from sample collection to results.

EKF's growth strategy to 2024 and beyond can be summarised as:

- continuing innovation in products and services in Point-of-Care, Central Laboratory and Life Sciences leveraging new and existing routes to market and relationships;
- investment in expanded production and kitting capabilities to offer a suite of diagnostic Contract Manufacturing solutions to third party businesses;
- expansion of CLIA Laboratories Testing offering, building on the acquired capabilities in ADL Health; and
- concluding complementary earnings-enhancing acquisitions with key strategic value.

EKF will also continue to generate enhanced shareholder value through:

- a progressive dividend policy; and
- its agreement with Mount Sinai Innovation Partners ("MSIP"), which allows us advanced access to innovative commercial opportunities and where we can build on the ongoing successes of Renalytix plc, Verici Dx plc and Trellus Health plc.