

1 August 2022

*This announcement contains inside information for the purposes of UK Market Abuse Regulation.*

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

### **Trading Update**

***H1 2022 performance in-line with management expectations***  
***Strong double-digit growth in underlying (non-COVID) revenue***

EKF Diagnostics Holdings plc (AIM: EKF), the AIM-listed global diagnostics business, provides the following unaudited trading update for the six months ended 30 June 2022 ("H1 2022"), a period of strong underlying (non-COVID) revenue growth, underpinning confidence in meeting full year expectations.

#### **Trading Update**

As announced in the 18 May 2022 AGM statement, trading in the first quarter of 2022 was strong. This has continued into the second quarter, where the focus remains on our strategy to position the business for long-term sustainable growth. Unaudited revenues for H1 2022 were £37.5m (H1 2021: £38.6m), including c.£3.5m of revenue arising from cash received for US inventory as reported on 13 June 2022. On an underlying basis, which excludes largely COVID-related revenue from Contract Manufacturing and Laboratory Services, the Group delivered double-digit growth compared to H1 2021.

The Company expects to report adjusted EBITDA<sup>1</sup> for the first half which is in line with management expectations. More recently established activities are expected to see improvements in adjusted EBITDA margin as they start to build scale from the second half and into 2023. The Company remains on track to deliver an adjusted EBITDA<sup>1</sup> result in line with its expectations for the full year.

Group cash, net of borrowings, as at 30 June 2022 was £18.9m. Continuing positive cash flows from operations in H1 2022 mean that, after recent corporation tax payments, movements in working capital, the completed share buyback and investment activities, the 30 June 2022 balance compares well against the 31 December 2021 figure of £19.6m.

The Board remains confident that the Company will continue to deliver on its growth strategy across all areas of the business. First half progress most notably includes:

- (1) The established **Point-of-Care & Central Laboratory** businesses have delivered growth compared to pre-pandemic levels and have made further progress on new product and new market initiatives.
- (2) **Life Sciences** had a strong H1 2022 performance from its existing fermentation capacity and the expansion plans into larger volume production remain on schedule for completion by the end of the year, with encouraging early meetings with large industrial partners who are looking to utilise this additional capacity. Revenue from this area of investment is expected to build materially in 2023 and to be a source of significant growth through to 2024.
- (3) The transition to non-COVID revenues in both **Contract Manufacturing** and **Laboratory Services** continues. The Company is bringing on new partners in the genomics and forensic space and successfully taking them through validation and pilot scale batches for products expected to be launched later in 2022 and into 2023. In addition, the Laboratory Services team recently launched a new clinical toxicology method geared toward medication adherence, developed an analysis of cannabis potency and has made major advances in establishing our capability in Non-Invasive Prenatal Testing ("NIPT"). The expansion of testing capabilities to create a broader suite of healthcare applications is proceeding well against the Company's roadmap, and it is reassuring to see early interest and new opportunities emerging as the team start to promote the new testing services.

EKF expects to announce its unaudited results for H1 2022 on 20 September 2022.

**Mike Salter, CEO of EKF, commented:** *“It has been an encouraging start to the year and our adjusted EBITDA<sup>1</sup> expectations for the full year remain in line with expectations. We are excited by the growth potential from our expansion plans which will support growth through to 2024 and beyond, funded by internally generated cash resources. EKF remains on track to deliver planned expansions in capability and capacity in Life Sciences, as well as the further broadening of our Laboratory Services offering beyond COVID. The Point-of-Care and Central Laboratory businesses continue to recover well and provide steady, cash generative growth. We look forward to reporting our interim results more fully in September, as we enter the next chapter of EKF’s growth with increasing confidence.”*

<sup>1</sup>Earnings before interest, tax, depreciation and amortisation, excluding exceptional items and share based payments.

<sup>2</sup>Comparative data relates to the comparable period to 30 June 2021 (“H1 2021”)

*The persons responsible for arranging the release of this Announcement on behalf of the Company are Mike Salter, CEO, and Marc Davies, CFO.*

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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:

<b>Point-of-Care</b>	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.
<b>Central Laboratory</b>	Clinical chemistry, Small lab analysers, Centrifuges <i>Beta-Hydroxybutyrate (β-HB) LiquiColor, Glycated Albumin, Glycated Serum Protein, Nitro-tab, Procalcitonin</i>
<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 such as those already seen with Renalytix plc, Verici Dx plc and Trellus Health plc.