

EKF Diagnostics Holdings plc

Unaudited Preliminary Results Presentation
Year Ended 31 December 2023



ekfdiagnostics.com

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Overview

Financial Highlights (unaudited)

- Revenues of **£52.6m**
- **Gross profit** before exceptionals of **£24.4m**
- **Gross margin** improved to **45%** (2022: 36%) and admin expenses reduced by **£3.5m**
- Adjusted **EBITDA** of **£10.4m**
- A return to profit before tax of **£2.1m**
- **Cash** generated from operations of **£8.8m**
- **Group cash**, net of borrowings (excluding IFRS 16 liabilities), of **£4.7m**

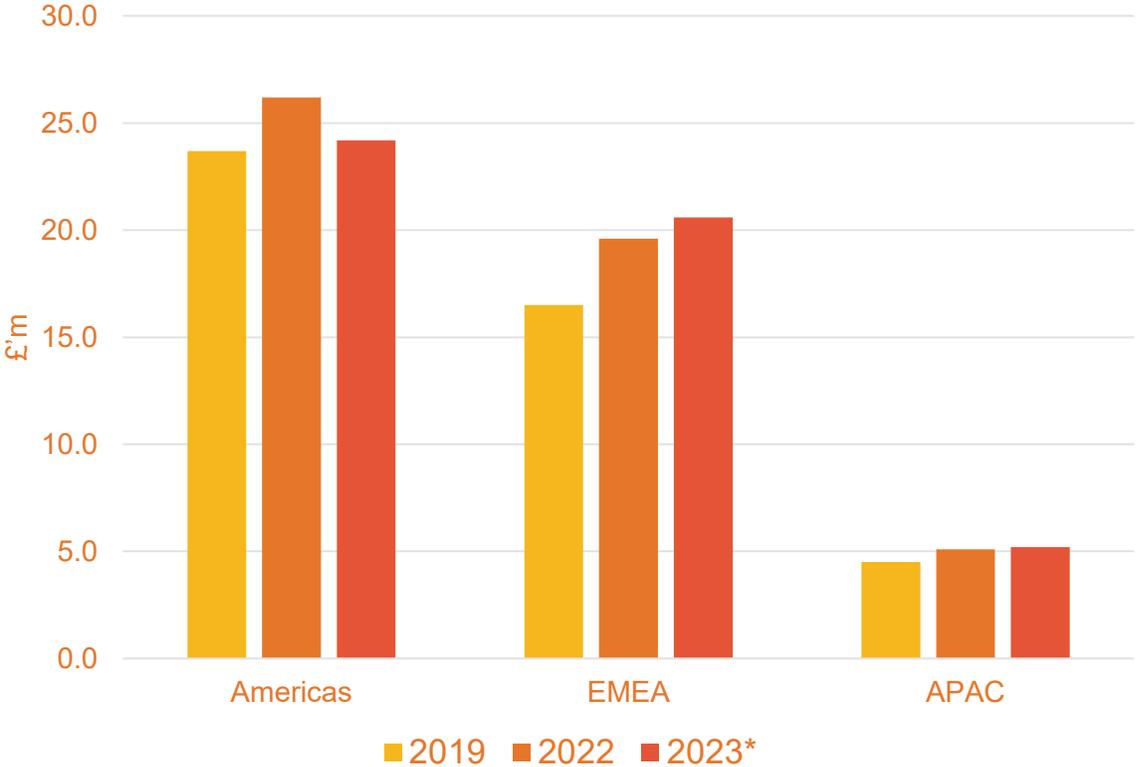
Operational Highlights

- **Continued sustainable growth** in core business lines
- **Diabetes** saw **11%*** year-on-year growth in HbA1c testing with Quo-Test® and Quo-Lab®
- **Hematology** delivered **10%*** year-on-year growth in Hemoglobin testing with DiaSpect Tm and Hemo Control
- **β-HB LiquiColor®** reagent grew by **4%*** in 2023
- **Opening** of new **Life Sciences** facility in **October 2023**
- **Removal of non-core**, low-margin products from Point-of-Care portfolio, Clinical Chemistry, STAT-Site M β-HB, continuing and due to complete into 2024

*unaudited FY23 revenue

Geographic Highlights*

Revenue



Excluding Contract Manufacturing and COVID-related

12%* growth FY23 vs FY19

48.4%*

Americas

The growth 2023 vs 2019 was 2%*, and in 2023 accounted for 48.4%* of group activity

41.2%*

EMEA

The growth 2023 vs 2019 was 25%*, and in 2023 accounted for 41.2%* of group activity

10.4%*

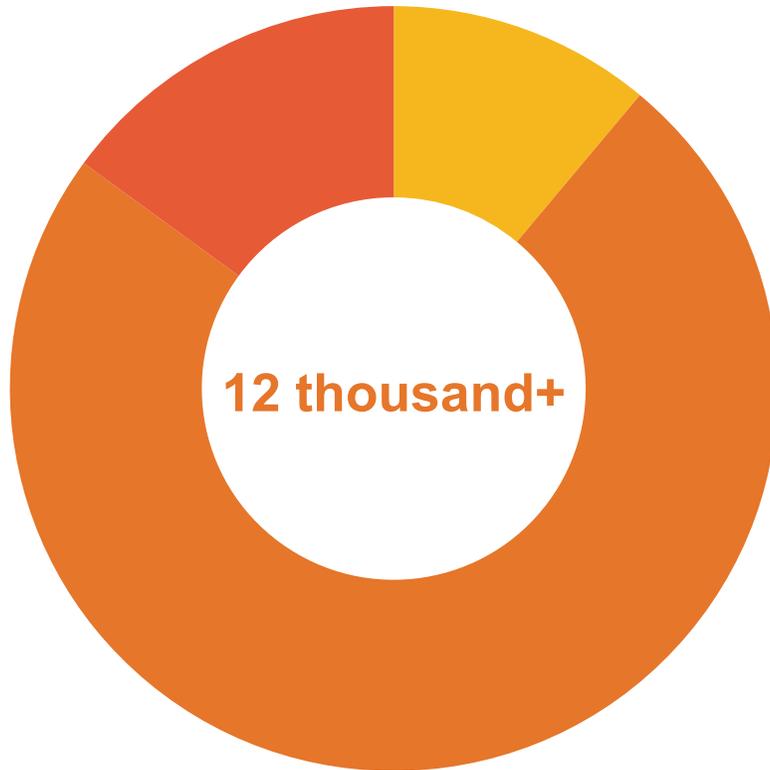
APAC

The growth 2023 vs 2019 was 16%*, and in 2023 accounted for 10.4%* of group activity

*unaudited FY23 revenue

Point-of-Care Analyzers Sold

■ Diabetes ■ Hematology ■ Other



1,300+

Diabetes

The Quo-Lab® was the most sold analyzer in the Diabetes portfolio

9,000+

Hemataology

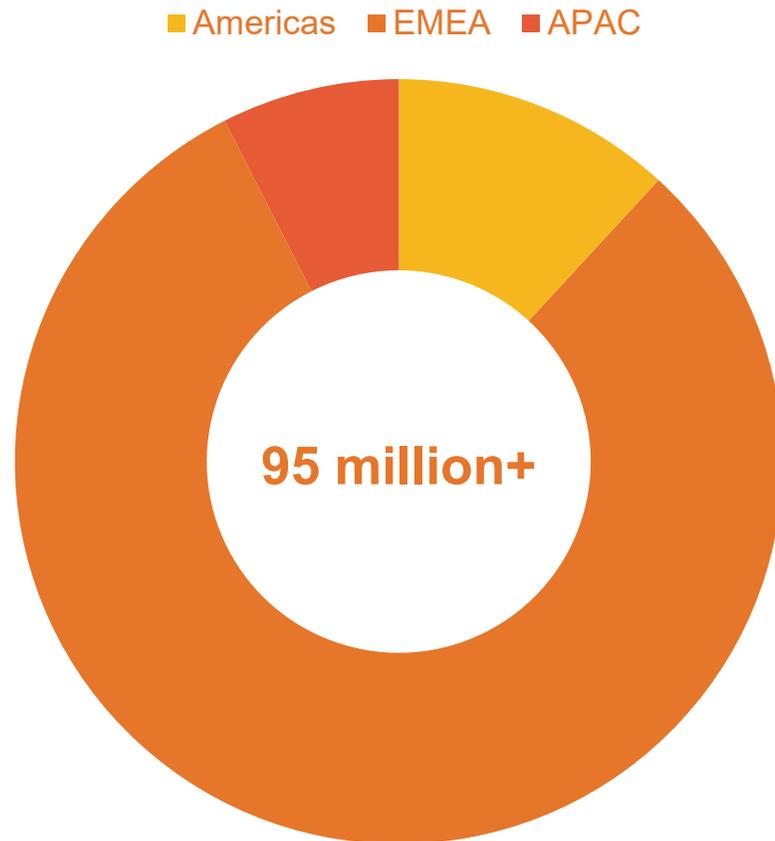
The DiaSpect Tm was the most sold analyzer in the Hematology portfolio

1,700+

Other

The Lactate Scout range was the most sold analyzer outside of Diabetes and Hematology

Point-of-Care Tests Sold



11m+

Americas

The highest selling product range was the Hemo Control cuvettes, individually packed

77m+

EMEA

The highest selling product range was the Hemo Control cuvettes

7m+

APAC

The highest selling product range was the DiaSpect Tm cuvettes

Performance

Point-of-Care

Overview

Portfolio of Point-of-Care analysers and tests, focused on Hematology and Diabetes, providing quick and accurate results, to enable healthcare professionals make rapid decisions

01

Hematology

Working with a global distribution base to offer streamlined blood donation and anaemia screening tests, ensuring rapid and reliable results for informed medical choices

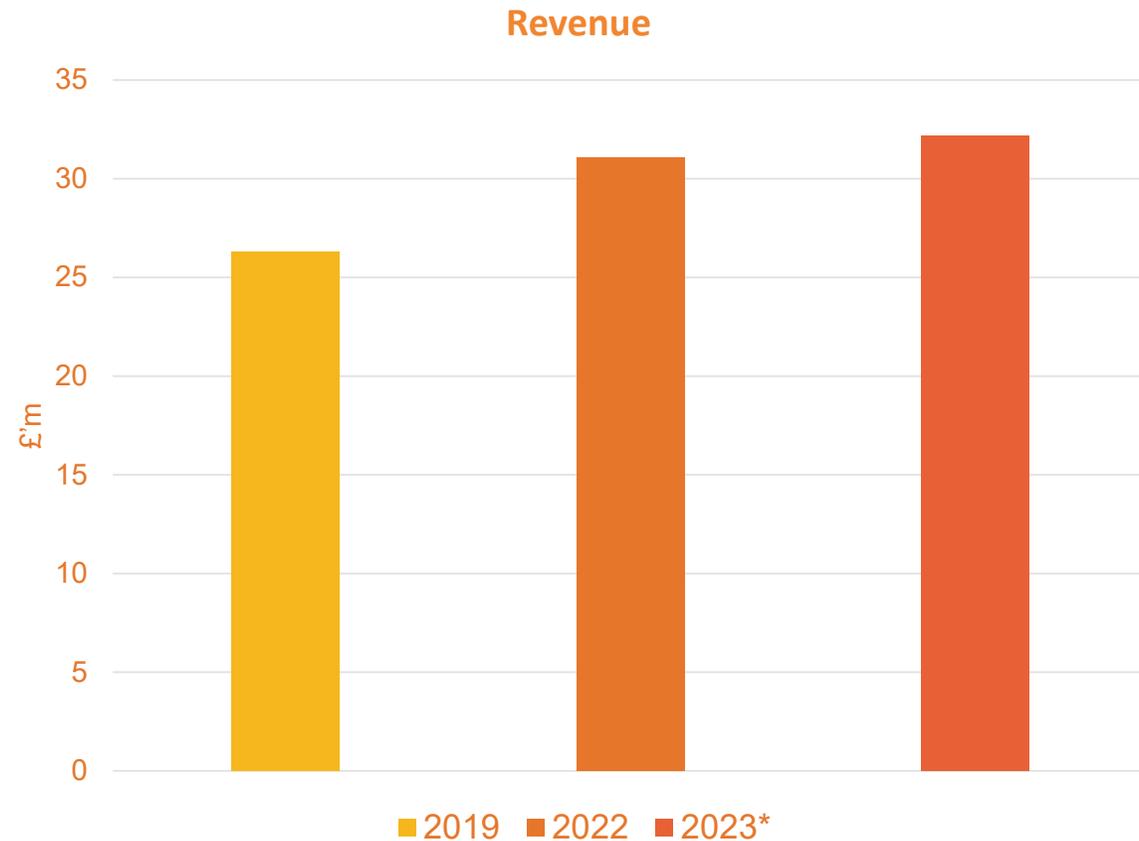
02

Diabetes

Our diabetes analyser range provides rapid glucose and HbA1c results to measure glycaemic control for those requiring management of their diabetes, with the aim to lower long-term healthcare costs and elevate patient well-being



Point-of-Care



3.5%*

Focused Growth

Strong sustainable growth FY23* vs FY22 achieved across the Point-of-Care portfolio with Clinical Chemistry excluded, expected completion of discontinuation in 2024

34%*

Product Growth

High growth FY23* vs FY22 in the DiaSpect Tm product portfolio due to increased focus

10%*

Consumable Growth

Targeted management of distribution channels to increase consumable pull through versus 2022

*unaudited FY23 revenue

Hematology

Overall Growth

2%* growth year-on-year with 34% growth in DiaSpect Tm

Regional / Country Drivers

Ongoing support of Egypt's 2030 Vision is continuing to drive DiaSpect Tm hemoglobin testing in children

Key Sales Opportunities

Further development of global strategic partnerships as they take a new version of the DiaSpect Tm with enhanced connectivity options via EKF Link™ and further exploration of new blood bank opportunities



Core Product(s)	2022 – 2023 +/- Revenue
DiaSpect Tm	34%*
Hemo Control	(5%)*
HemataSTAT	(32%)*
Overall Growth	2%*

*unaudited FY23 revenue

Diabetes

Overall Growth

3%* growth year-on-year 2022-2023 with 11% growth in HbA1c

Regional / Country Drivers

Continued development of APAC market for Quo-Test® delivers 19%* growth with high pull through on consumables, and with good growth in the Philippines

Key Sales Opportunities

Added connectivity options via EKF Link™ are enabling access to new business in existing markets



Core Product(s)	2022 – 2023 +/- Revenue
Quo-Test®	19%*
Quo-Lab®	6%*
Biosen	(5%*)
Overall Growth	3%*

*unaudited FY23 revenue



Life Sciences

Overview

Specialist manufacture of enzymes and custom products for use in diagnostic and pharma applications. Supporting key players in the diagnostic market as well as producing our own market-leading β -HB products

03

Beta-Hydroxybutyrate (β -HB)

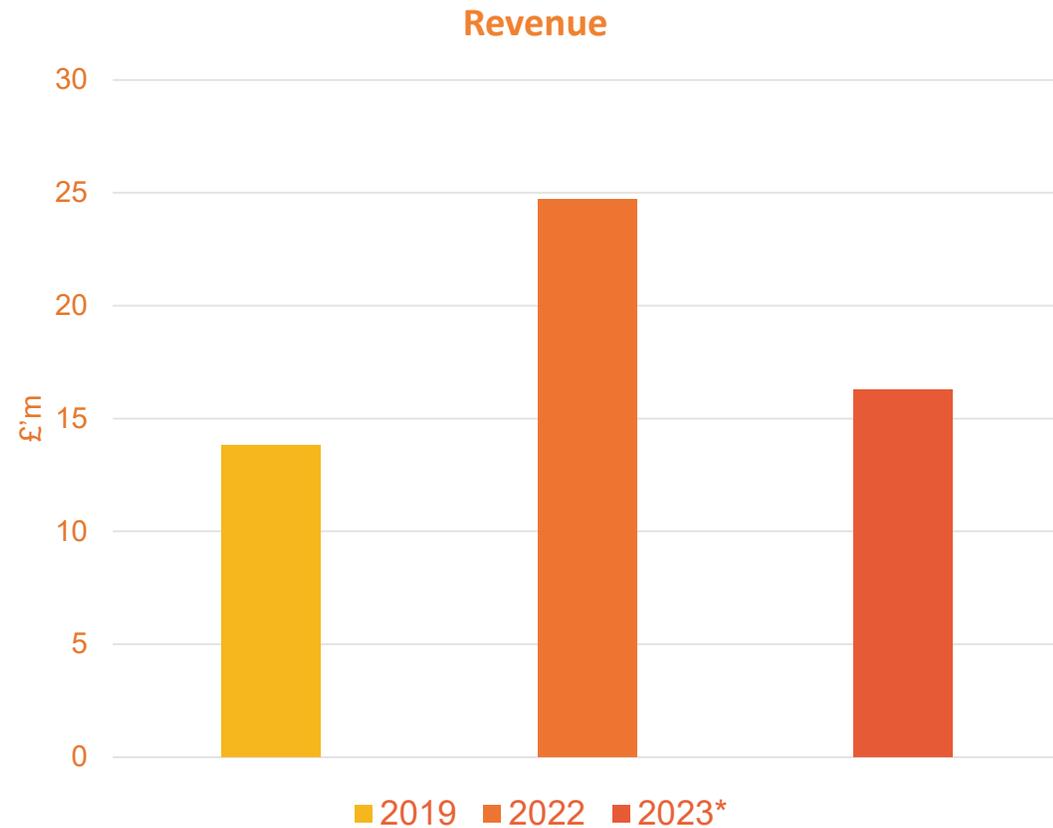
EKF's β -HB LiquiColor® reagent is the most trusted way to detect and monitor patients suffering from ketoacidosis, utilised by all the main distribution channels and hospitals in the US

04

Fermentation

State-of-the-art microbial fermentation facilities and downstream processing capabilities. Enable the production of top-tier diagnostic enzymes and customised products tailored for medical diagnostics, pharmaceuticals, and industrial applications

Life Sciences*



2022 includes Contract Manufacturing and COVID-related

18%*

Focused Growth

Overall, 18%* growth versus 2019 with a focus on further developing our β -HB business

4%*

Product Growth

Increase of 4%* total kit sales for β -HB LiquiColor® reagent year on year.

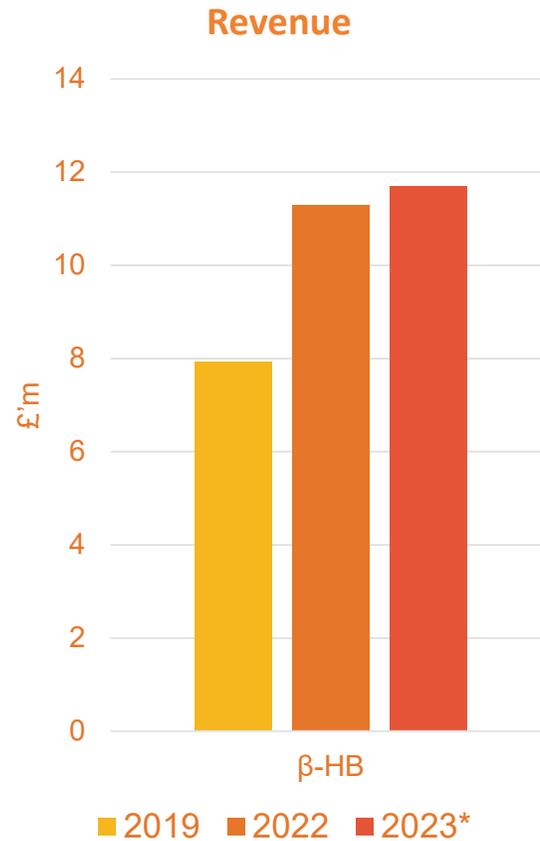
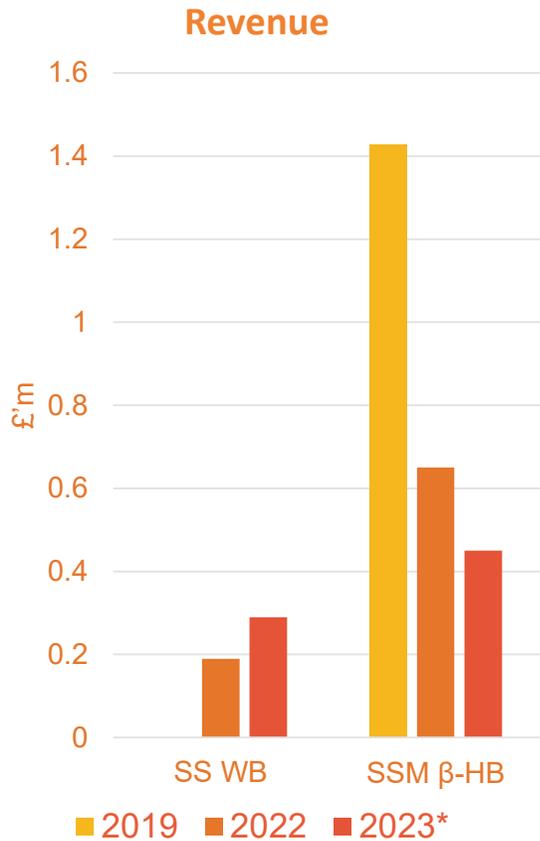
60%*

Capacity Growth

Increased fermentation capacity by 60%* to meet customer demand and improve margin of existing internally made product

*unaudited FY23 revenue

β-HB



52%*

Focused Growth

High growth in our handheld β-HB product STAT-Site WB which replaces the mature, discontinued STAT-Site M β-HB

2%*

Product Growth

Overall β-HB growth includes STAT-Site M β-HB, with 4%* growth in β-HB LiquiColor® reagent revenue from white label partners, now continuing through 2024

113%*

Analyzer Growth

Doubled the STAT-Site WB (Whole Blood) analyser sales which will seed the market well for the future

*unaudited FY23 revenue

β-HB

Overall Growth

4%* growth in β-HB LiquiColor® reagent year on year

Regional / Country Drivers

The changeover from STAT-Site M β-HB to STAT-Site WB and conversion of Thermo Fisher white label will be a focus in the US

Key Sales Opportunities

Key white label contracts will continue to develop the reagent market in 2024



Core Product(s)	2022 – 2023 +/- Revenue*
β-HB LiquiColor®	4%*
STAT-Site M β-HB	(31%*) (Discontinued)
STAT-Site WB	52%*
Overall Growth	2%*

*unaudited FY23 revenue



Fermentation

Growth Potential

- New customers regularly ordering development runs since South Bend opening in Oct 2023, with three completed to date, two of which are in 2024
- Full range of fermenters of different capacity now online. Looking to scale up output throughout 2024 and to add additional customers throughout the year
- Active discussions with new customers for development and scale-up opportunities to come on-line late 2024 and through to 2025

Consolidation

- Currently reviewing the available improvement in operational efficiency and increased margin across both fermentation sites

Outlook

Simplification

Point-of-Care

- **Focus and invest** only in key growth, high-performing products driving further growth: Quo-Test®, Quo-Lab®, Biosen, DiaSpect, HemoControl
- **Discontinuation** of low margin, low-performing products: Clinical Chemistry, STAT-Site M β -HB



Life Sciences

- **Reviewing the improvement** in operational efficiency and increased margin available across both sites
- **Margin improvement** by utilizing new fermenters to produce increased batch sizes of existing products, opening capacity for new customers.



Outlook

- Investment in our focused core products within Hematology, Diabetes and β -HB will drive further, sustainable growth
- Strengthening relationships with key global partners and distribution channels to increase our existing market share in identified core product ranges
- 2024 will see the completion of the rationalisation process, resulting in a streamlined core business portfolio, and expansion of fermentation offering
- EKF is well placed to deliver growth and improved returns from the investments made over the last two years

Financial

Financial Highlights

- Revenues of £52.6m in line with market expectations (2022: £66.6m)
- Gross profit before exceptionals of £24.4m (2022: £30.8m)
- Adjusted EBITDA of £10.4m (2022: £14.9m)
- A return to profit before tax of £2.1m (2022: loss of £8.9m)
- Cash generated from operations of £8.8m (2022: £12.7m)
- Group cash, net of borrowings (excluding IFRS 16 liabilities), as at 31 December 2023 of £4.7m (31 December 2021: £11.4m)
- Actual gross margins (excluding exceptionals) improved across the group with a 3.5% increase between H1 and H2 in 2023

Business Units*

£ millions	2023*	2022	+/- £k
Continuing Operations			
Point-of-Care	32,359	31,270	1,089
Clinical Chemistry	1,696	2,138	(442)
Life Sciences			
Fermentation	2,667	3,235	(568)
β-HB	12,153	11,956	197
Contract Manufacturing	1,467	9,514	(8,047)
Other	2,271	8,575	(6,304)
Total Group Revenues	52,611	66,635	(14,024)

*unaudited FY23 revenue

Income Statement*

£ '000	2023*	2022	+/- £k
Revenue	52,611	66,635	(14,024)
Gross Profit	23,859	24,038	(179)
Gross Margin %	45%	36%	
Overheads (Excl Exceptionals)	(19,680)	(23,177)	3,497
Operating Profit/(Loss)	2,081	(8,971)	11,052
EBITDA	10,384	14,904	(4,520)

*unaudited FY23 revenue

Thank You

Unaudited Preliminary Results Presentation
Year Ended 31 December 2023



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Appendices

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Non-executive Directors

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**Balance Sheet – Assets
(unaudited)**

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**Balance Sheet – Liabilities
(unaudited)**

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Cash Flow (unaudited)

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Disclaimer

Non-executive Directors



Christian Rigg - Senior Independent Non-executive Director

Chris Rigg is a chartered accountant who has significant executive experience at both public and private companies. In addition to EKF he is currently a Non-executive Director of Kent Pharma. Chris previously held the positions of Chief Executive Officer of the holding company of Mandata Holdings Limited, Chief Financial Officer and latterly Chief Executive Officer at Quantum Pharma plc, which, under his stewardship, was refinanced and implemented a new strategy facilitating growth, leading to its acquisition by Clinigen Group plc for an enterprise value of £160 million.



Jennifer Winter - Non-executive Director

Jenny has over 20 years' experience across a broad variety of healthcare organisations ranging from small not-for-profit companies to large corporates. Jenny is currently Chief Executive Officer of AIM listed Animalcare Group plc (AIM: ANCR) where she is successfully executing on the business's long-term growth strategy, as reflected in the recently announced strong full year trading performance against a backdrop of very challenging market conditions. Before joining Animalcare Group plc in October 2018, Jenny was Vice President of Respiratory products - Global Supply Chain and Strategy at AstraZeneca, a position she held from 2015.



Christopher Mills - Non-executive Director

Christopher founded Harwood Capital Management in 2011, a successor to its former parent company J.O. Hambro Capital Management, which he co-founded in 1993. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc and Chief Investment Officer of Harwood Capital LLP. He is a Non-executive Director of a number of companies including Renalytix plc. Christopher was a Director of Invesco MIM, where he was Head of North American Investments and Venture Capital, and of Samuel Montagu International. Christopher stood down from the audit committee in March 2022.

Balance Sheet – Assets (unaudited)

£ '000	2023*	2022	+/- £k
Fixed assets	24,775	21,714	3,061
Intangible assets	30,224	33,772	(3,548)
Investments	276	1,119	(843)
Deferred tax	18	925	(907)
Inventories	8,766	9,434	(668)
Receivables	6,787	10,739	(3,952)
Corporation tax	2,277	10	2,267
Cash	7,726	11,578	(3,852)
Total assets	80,849	89,291	(8,442)

*unaudited FY23 revenue

Balance Sheet – Liabilities (unaudited)

£ '000	2023*	2022	+/- £k
Payables	6,625	9,698	(3,073)
Deferred consideration	-	-	-
Deferred tax liabilities	2,517	2,493	24
Corporation tax	504	2,440	(1,936)
Borrowings	2,986	137	2,849
Total creditors	9,497	14,768	(5,271)
Capital and reserves	67,117	73,346	(6,229)
Minority interest	1,100	1,177	(77)
Total equity	68,217	74,523	(6,306)

*unaudited FY23 revenue

Cash Flow (unaudited)

£ '000	2023*	2022	+/- £k
Net cash generated from operating activities	6,311	9,688	(3,377)
Net cash (used in)/generated by investing activities	(5,642)	(8,932)	3,290
Net cash used in financing activities	(3,646)	(11,039)	7,393
Net (decrease)/increase in cash and cash equivalents	(2,977)	(10,283)	7,306
Cash and cash equivalents at beginning of year	11,578	20,341	(8,763)
Exchange gains/(losses) on cash and cash equivalents	(875)	1,520	(2,395)
Cash and cash equivalents at end of year	7,726	11,578	(3,852)

*unaudited FY23 revenue

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