

20 September 2022

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

Half-year Report

Strong half-year, positioning the Group for sustainable and diversified growth
Life Sciences investment in increased capacity progressing well
Year of transition into non-COVID related revenues

EKF Diagnostics Holdings plc (AIM: EKF), the AIM-listed global diagnostics business, announces its unaudited interim results for the six months ended 30 June 2022.

Despite this being a year of transition, as the business pivots away from a busy COVID period, EKF has successfully maintained good momentum, recording a strong first half in line with management expectations and positioning the business for sustainable, diversified growth over the long term.

Financial highlights

- Revenues of £37.5m (H1 2021: £38.6m)
 - 74.8% up from pre-pandemic levels (H1 2019: £21.4m)
- Revenue growth, excluding largely COVID-related activities in Contract Manufacturing and Laboratory Testing, of 11.5% in period
- Adjusted EBITDA* of £9.7m (H1 2021: £12.8m)
 - 73.9% up from pre-pandemic levels (H1 2019: £5.6m)
- Gross profit of £17.7m (H1 2021: £18.5m) with GM% maintained at 47% (H1 2021: 48%)
- Profit before tax of £4.1m (H1 2021: £11.4m)
- Net cash generated from operations of £8.4m (H1 2021: £1.1m)
- Cash and cash equivalents of £19.1m (30 June 2021: £20.8m) (31 December 2021: £20.3m)

* Earnings before interest, tax, depreciation and amortisation adjusted for exceptional items and share-based payments

Operational highlights

- Business division revenues
 - **Point-of-Care:** up 9.7% to £13.8m (H1 2021: £12.5m)
 - **Central Laboratory:** stable at £6.3m (H1 2021: £6.3m), returned to growth in July
 - **Life Sciences:** doubled to £2.0m (H1 2021: £1.0m)
 - **Contract Manufacturing:** £8.6m (H1 2021: £17.5m) reflecting expected drop in COVID revenues
 - **Laboratory Testing:** £2.1m (H1 2021: nil, laboratory acquired in H2 2021)
 - **Other:** £4.7m (H1 2021: £1.2m) including £3.5m relating to cash received for US inventory
- Life Sciences: Investment to bring increased fermentation capacity online from 2023 – customer onboarding processes are already underway with audits, validation batches and tech transfer ongoing
- Laboratory Testing: new clinical toxicology testing service launched, further test portfolio launches in Q4 2022 and Q1 2023, and non-invasive prenatal test service with Yourgene Health to launch next month
- Implementation of reorganisation programme across the business to align resources with the expansion opportunities
- Share Buyback programme completed successfully, 9m shares cancelled, offsetting dilution from shares issued in H2 2021 as consideration for laboratory testing business

Mike Salter, Chief Executive Officer of EKF, commented: “Whilst 2022 is a year of transition, positioning EKF for long-term sustainable and diversified growth, the strong first half delivery has been pleasing. This performance shows the strength and robustness of our core established business and provides the Board with confidence that the Group, as a whole, remains on track to deliver an adjusted EBITDA result in line with its expectations for the full year and is well positioned for the years ahead.”

A copy of the investor presentation is available here: <https://www.ekfdiagnostics.com/documents-reports.html>

EKF Diagnostics will be hosting a live online presentation open to all investors on Tuesday 20 September at 4.30pm (BST), via the Investor Meet Company platform. Investors can sign up to Investor Meet Company for free and add to meet EKF Diagnostics via:

<https://www.investormeetcompany.com/ekf-diagnostics-holdings-plc/register-investor>

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BUSINESS REVIEW

We are delighted to announce such a positive first half performance for our core established business, and a strong overall performance that has delivered considerable growth compared to pre-pandemic levels. It also demonstrates our robustness in the face of significant commercial change due to the near total reduction after the first quarter of our COVID related activities.

Revenues for the six months ended 30 June 2022 were £37.5m (H1 2021: £38.6m) and adjusted EBITDA was £9.7m (H1 2021: £12.8m). Considering our core established business units, which excludes largely COVID-related revenue from Contract Manufacturing and Laboratory Testing, the Group delivered double-digit revenue growth compared to H1 2021. Compared to the performance in 2019 as a pre-pandemic benchmark, when no COVID related activities were recorded, total Group revenues are 74.8% up from 2019 levels (H1 2019: £21.4m) and adjusted EBITDA is 73.9% ahead (H1 2019: £5.6m).

It is clear that, despite this being a year of transition, EKF has successfully maintained good momentum, recording a strong first half in line with management expectations and positioning the business for long-term sustainable and diversified growth. We have strong foundations from which to execute on our mission to build a leading Global Diagnostics company, providing quality products and services to support the continued improvement in patient healthcare and outcomes.

EKF is also well placed to build on this success, as we enter our next phase of sustainable growth. The Board remains focused on delivering its strategy, primarily to:

1. Drive organic growth from our stable and established **Point-of-Care & Central Laboratory** businesses, leveraging existing products and routes to markets, innovating and expanding into new territories;
2. Invest in the highly-scalable **Life Sciences** business unit, through expansion plans for our fermentation capacity and capabilities which are led by customer demand and will accelerate organic growth; and
3. Pivot **Contract Manufacturing & Laboratory Testing** to non-COVID activities and build revenues by broadening our high-value services offering.

We have made good progress in the above three areas and will cover them in more detail below.

OPERATIONS

1. Point-of-Care & Central Laboratory

Our established Point-of-Care (“POC”) and Central Laboratory divisions have returned to growth, with revenues now exceeding pre-COVID levels. These businesses remain the cornerstone of EKF, contributing 53.5% to Group revenues. They both supply a regular flow of high margin consumables providing a steady recurring revenue and are both profitable and cash generative enabling investment and further diversification of the Group.

POC has continued to experience steady growth post COVID, up 9.7% to £13.8m (H1 2021: £12.5m), as a result of growth in the existing customer base and new market initiatives. With increasing pressures on healthcare systems, including an ageing population and the growing incidence of chronic diseases, EKF is well placed to meet the rising demand for quality POC products that can be performed at home or in primary care settings.

Sales in the POC diabetes segment have seen good growth in the period, reaching £5.7m (H1 2021: £4.8m), an increase of 18.3%. Biosen sales are up 31.0% driven by strong growth in EMEA and APAC. Sales of Quo-Test and Quo-Lab are up 8.2% and 7.4% respectively.

We have seen good growth across our POC hematology portfolio, with sales up 10.5% to £6.5m (H1 2021: £5.9m) as screening anaemia programmes have continued to return to more normalised levels following the COVID pandemic. Hemocontrol, a point-of-care hemoglobin analyser, delivered significant growth with sales up 45.2% to £3.1m (H1 2021: £2.1m) due to the return of global testing programmes post pandemic.

In the period we enhanced our POC analyser portfolio by launching *EKF Link*, a digital connectivity solution for the secure management of POC analysers and associated data on one centralised platform. This solution significantly increases the target market for our analyser products where connectivity is becoming increasingly attractive if not essential. The development and launch of *EKF Link* was driven by customer demand and designed in partnership with hospital POC managers to ensure the software meets their specific needs. Integrated with hospital and laboratory IT systems, *EKF Link* enables real-time remote management of data, such as patient test results, allowing physicians and other healthcare professionals to easily evaluate patients' data securely and accurately from a remote setting.

In Central Laboratory, we remain one of the clear market leaders for the supply of β -HB (Beta-Hydroxybutyrate), a reagent used to detect ketones for patients suffering from diabetic ketoacidosis, as well as many other clinical applications. Our β -HB reagent is used by over 1,100 hospitals in the USA. Total β -HB sales for H1 2022 were marginally impacted by temporary supply delays at period end, but these have since been resolved and sales for the 7 months to the end of July 2022 have shown a 9.9% improvement on the same period year-on-year. Glycated Albumin sales were up 138.9% with first half sales already in excess of 2021 full year performance.

In the first six months Central Laboratory was flat at £6.3m (H1 2021: £6.3m), but as described above β -HB sales have immediately caught up post period end, putting it back on track for its expected growth performance year-on-year.

2. Life Sciences

Strong organic growth from our specialist enzyme fermentation business saw revenues doubling to £2.0m (H1 2021: £1.0m). This growth was driven by increased demand from our large corporate customers utilising our existing contract fermentation services to create and deliver high quality enzymes and biomolecules for use in a variety of industrial applications.

EKF has established a dedicated team of highly skilled fermentation project specialists who are uniquely positioned to deliver customer requirements and expand these long-term strategic partnerships. The strong customer relationships established by this unit over the years has led to customer-led interest in increased volume services. EKF's current fermentation suites in Elkhart utilise 10, 100, 250 and 1,600 litre (L) vessels, and as already reported, we are investing around \$10m to increase this capacity at our new South Bend site and also our existing site in Elkhart, to meet existing customer needs and attract new customers with higher volume requirements.

Progress in the construction and installation of the six new vessels in South Bend - comprising 65, 300, 1,500, 3,000, 10,000 and 14,500L units - is going well and remains on track to be completed by the year end. The 1,500 and 3,000L vessels have been delivered to the South Bend site and will be installed and validated next month, with the larger 10,000L and 14,500L vessels scheduled to be delivered in Q4 2022. A number of potential customers interested in our larger volume vessels have already begun the process of internal audit, validation and tech transfer to allow them to utilise this capacity when it comes on stream. We would expect to produce pilot batches in early 2023 moving to commercial scale production throughout 2023.

The global speciality enzymes market is experiencing rapid growth, driven by the increased application of enzymes in the diagnostic industry, as well as the food and industrial sectors, and as a result we are seeing increasing demand for precision fermentation services. We are confident in the growth trajectory of this business, which is closely aligned with the strong ongoing customer demand which is driving our investment decision. We have a robust contract pipeline and expect to see revenues build in 2023 and continue this upward trajectory into 2024.

3. Contract Manufacturing & Laboratory Testing

As previously highlighted, the main challenges in our year of transition are in Contract Manufacturing & Laboratory Testing, as we seek to shift our operations to non-COVID revenues. The first six months certainly reflect this change, as we still experienced a strong Q1 as COVID-related demand from our diagnostic and healthcare customers continued for our end-to-end contract manufacturing services across all of our sites in the US, Germany and UK. However, as expected, there was a sharp drop in COVID related revenues in our Contract Manufacturing division

after the first quarter, which saw revenues for the half reduce substantially to £8.6m from the higher levels seen during the pandemic when COVID testing was more widespread (H1 2022: £17.5m). This Q1 weighted demand for COVID-related services was also seen in Laboratory Testing, which delivered H1 sales of £2.1m (H1 2021: £nil, laboratory acquired in H2 2021).

In anticipation of this decline, during the period we began restructuring our Contract Manufacturing business, reducing costs and focusing our capabilities outside of COVID. Further costs associated with the restructuring are expected in the second half of the financial year. We continue to execute our strategy to pivot away from COVID products and services, utilising our capabilities and capacity to focus on higher value contract manufacturing in the supply of products and services for alternative applications. We expect Contract Manufacturing revenues to build in the later part of 2022 and into 2023 as new opportunities come online.

In Laboratory Testing, our efforts remain focussed on utilising the expertise of Advanced Diagnostic Laboratory LLC ("ADL Health"), which specialises in high complexity testing, to bring new tests online and expand our CLIA laboratory testing portfolio beyond COVID assays. To this end, the team has recently launched a new clinical toxicology method geared towards medication adherence and developed an analysis of cannabis potency, with the first samples being processed this month. Further tests in oncology, wound health and women's health are on track to launch later in the year and into early 2023. At the beginning of the year, we signed a strategic partnership agreement with Yourgene Health plc ("Yourgene") to offer a non-invasive prenatal test ("NIPT") service from our accredited US laboratory. We expect this service to launch in October 2022 and we believe this is an exciting growth opportunity.

Our challenge with the Laboratory Testing division is to ensure that investment into these areas quickly adds new revenue streams to the Group, and to return this business to profitable growth before the year end based on a wider portfolio of non-COVID testing services.

Operational efficiencies

As well as the restructuring of the Contract Manufacturing operations during the first half, post-period end the new management team has implemented a reorganisation programme across the business to align the cost base to match the expansion opportunities being seen across the Group, and to ensure a smooth transition into a sustainable growth business unrelated to the external pandemic. Like many businesses, we have experienced supply-chain availability challenges and input-costs inflationary pressure. To mitigate this, we increased the focus on forward-looking sourcing requirements and have responsibly adjusted our prices to customers.

In the first half, we began implementing new initiatives to drive efficiency and integration across the global EKF Group, as well as bolstering our current working practices. This included vertically integrating our supply chain, the commencement of an IT standardisation project to consolidate global systems and utilise new technologies, and the enhancement of financial analysis, controls and the sharing of resources throughout the Group.

Regulatory and ESG strategy

We believe we are well positioned to meet the new and additional requirements under In Vitro Diagnostic Regulation (IVDR). Our experienced regulatory team is already connected with our Notified Body, who is aware of our plan for the number of products subject to the conformity assessment requirements of IVDR, and we have built in a safety buffer to ensure we are prepared.

We have also appointed a dedicated senior ESG resource to lead the development of our Environmental and Sustainability strategy. This investment is a sign of how EKF recognises the importance of analysing ESG performance going forward to help investors gain a more holistic view of our business, better understand how we manage ESG risks and incorporate sustainability as a core value.

Russia and Ukraine

EKF owns 60% of O.O.O. EKF Diagnostika, a distribution subsidiary located in Moscow which sells EKF POC products and other third-party products into Russia and neighbouring states. As a supplier of medical products with no dual use it would not be appropriate to end supplies to the region, and sales have continued in the first half of the year. We are working with the staff and management of this business to keep it as stable as possible, but it is becoming more challenging as we comply with the current sanction guidance. At present there are controls over the payment of foreign dividends in Russia hence the cash disclosed in Russia (30 June 2022: £2.6m) is currently not accessible. Financial details of our business in Russia are shown in the segmental analysis in Note 3.

We also have a distributor in Ukraine with whom we have worked for some years, who we have continued to support during this time of substantial challenge.

Outlook

Our Point-of-Care & Central Laboratory business units are expected to continue to grow steadily and contribute a solid base of stable revenues and earnings. The investment in our Life Sciences business, and its increased fermentation capacity, is expected to generate further significant revenue growth from next year onwards. This expectation is underpinned by the advanced nature of our work with new and existing customers keen to utilise this capacity as it becomes available. The transition of Contract Manufacturing and Laboratory Services into non-COVID-related revenues is our key challenge. We have already identified a number of opportunities that are advancing, and a wider portfolio of tests are beginning to come online, which we forecast will start to deliver revenues in the second half of the year.

Whilst 2022 is a year of transition, positioning EKF for long-term sustainable and diversified growth, the strong first half delivery has been pleasing. This performance shows the strength and robustness of our core established business and provides the Board with confidence that the Group, as a whole, remains on track to deliver an adjusted EBITDA result in line with its expectations for the full year and is well positioned for the years ahead.

Mike Salter
Chief Executive Officer

20 September 2022

Financial review

Revenue

Revenue for the period was £37.5m (H1 2021: £38.6m).

Revenue by Business Unit:

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	+/- %
Point-of-Care	13,756	12,534	9.7%
Central Laboratory	6,295	6,325	(0.5%)
Life Sciences	2,024	1,033	95.9%
Contract Manufacturing	8,570	17,469	(50.9%)
Laboratory Testing	2,141	-	n/a
Other*	4,685	1,198	291.1%
Total revenue	37,471	38,559	(2.8%)

Considering our core established business units, which excludes largely COVID-related revenue including that from Contract Manufacturing and Laboratory Services, the Group delivered growth of 11.5% compared with the equivalent period in 2021.

* Other revenue relating to US inventory payment, shipping and handling recharges, repairs and other sundries

Revenue by Geographical Segment:

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	+/- %
Germany	13,582	14,542	(6.6%)
USA	20,925	18,156	15.3%
Russia	2,037	1,384	47.2%
UK	925	4,477	(79.3%)
Total revenue	37,471	38,559	(2.8%)

Geographic regions showing a decline is primarily due to the reduction in COVID-related Contracted Manufacturing activity. The 2022 amount for USA includes the £3.5m inventory payment.

Gross profit

Gross profit was £17.7m (H1 2021: £18.5m). The gross profit margin was 47% (H1 2021: 48%). The gross profit has reduced mainly as a result of the transition to COVID-related products and services.

Administrative expenses

In H1 2022, administration expenses increased to £14.5m (H1 2021: £7.0m), representing 38.6% of revenue for the period (H1 2021: 18.2%, FY 2021: 21.6%). The increase is largely due to a number of non-recurring events. In H1 2022, a charge of £1.2m was recorded in relation to the \$5.5m (£4.4m) cash payment received in May 2022 with regard to US inventory. The total adjusted revenue and EBITDA impact of this transaction is £3.5m and £1.2m, respectively.

In addition, exceptional costs in relation to the transition and restructure of certain operations in the US, UK and Germany of £1.7m are recorded in administration expenses in H1 2022. Finally, administrative expenses in H1 2021 benefited from a net write back of £1.4m in share-based payments (H1 2022: charge of £0.5m) stemming from the termination of the previous cash settled share-based incentive scheme. The 2022 charge relates to the replacement scheme which was described in the 2021 Annual Report.

To aid understanding, administrative expenses in each period are made up as follows:

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Audited Year ended 31 December 2021
Non-exceptional administration expenditure before R & D capitalisation and share-based payments	13,076	8,960	19,511
Effect of share-based payments	517	(1,392)	(1,238)
Less capitalised R & D	(802)	(317)	(659)
Effect of exceptional items	1,682	(234)	95
Total administrative expenses	14,473	7,017	17,709

The charge for depreciation of fixed assets and for the amortisation of intangibles is £3.4m (H1 2021: £2.8m).

Operating profit and adjusted earnings before interest tax and depreciation

The Group generated an operating profit of £4.1m (H1 2021: £11.4m). We continue to consider that adjusted EBITDA gives a more meaningful measure of performance which for H1 2022 was £9.7m (H1 2021: £12.8m).

Adjusted EBITDA excludes a charge for share-based payments of £0.5m (H1 2021: credit of £1.4m) and exceptional charges of £1.7m (H1 2021: profit of £0.2m). The exceptional charge relates mainly to transition and restructure costs of certain operations in the US, UK and Germany including provisions against inventory and the impairment of certain lease assets where the property is no longer required. The reduction in operating profit and adjusted EBITDA relates to the transition to a post-COVID business.

Finance costs

Finance costs are £0.01m (H1 2021: £0.16m). The charge has reduced because of lower charges relating to deferred consideration.

Tax

There is a tax charge of £1.7m (H1 2021: £2.2m). The decrease largely reflects the decrease in profit, offset partially by an increased deferred tax rate.

Earnings per share

Basic earnings per share has decreased to 0.48p (H1 2021: 1.99p). Diluted earnings per share are 0.48p (H1 2021: 1.99p), dilutive effects having largely ended.

Balance sheet

Fixed assets

We have capitalised £2.3m (H1 2021: £1.5m) of property, plant and equipment. The expenditure includes continuing work on adding capacity for Life Sciences in the US. Further expenditure in Life Sciences, and on new facilities in Germany, is planned for the second half of the year.

Intangible assets

The value of intangible fixed assets is £43.4m (31 December 2021: £41.9m). The increase is mainly the result of exchange rate movements. An amount of £0.8m (H1 2021: £0.6m) has been capitalised during the first half.

Investments

During the period additional investments were made in the ordinary share capital of Renalytix plc (“Renalytix”) (£0.38m) and Verici Dx plc (“Verici”) (£2.5m). The majority of our holding in Verici was subsequently transferred to shareholders by way of a dividend in specie at a value of £1,455,232 (15.994p per Verici share, equivalent to 0.31988p per EKF share). This represented a discount from the prevailing market price of 27.3% reflecting the lock-in period applied to the shares. Following this dividend the Group’s investments in Renalytix and Verici represented holdings of 1.53% and 0.42% respectively. The investments are held at fair value which has been calculated based on the market value of the shares which at 30 June 2022 was £1.05 (31 December 2021: £6.20) per share for Renalytix and £0.23 (31 December 2021: £0.53) per share for Verici. The resulting unrealised loss during H1 2022 of £7.2m is shown as a movement in Other comprehensive income.

Deferred consideration

The deferred consideration at 30 June 2022 relates to the acquisition in September 2021 of Advanced Diagnostic Laboratory LLC. At 30 June 2021 the deferred consideration related to a contingent share-based payment to the former owner of EKF-Diagnostic GmbH, which was resolved in H2 2021.

Cash and working capital

The gross cash position at 30 June 2022 was £19.1m (31 Dec 2021: £20.3m), and the Group had cash net of bank borrowings of £18.9m (31 Dec 2021: £19.6m).

Cash generated from operations in H1 2022 is £8.4m (H1 2021: £1.1m). Trade debtors have decreased as a result of timing effects in the run up to period end. Major cash outflows have included £3.9m on purchase of own shares and £2.9m for the purchase of investments, as well as cash payments totalling £0.4m required in connection with the acquisition of ADL.

Cash and cash equivalents held by the Russian subsidiary at 30 June 2022 totalled £2.6m (31 Dec 2021: £1.3m). These deposits are subject to regulatory restrictions, and therefore may not be available for general use by the other entities within the Group.

Capital structure

We successfully completed the acquisition of 9,000,000 of our own ordinary shares for a total consideration of £3.9m. These shares have been cancelled. We received further authority to buy back up to 69,589,585 ordinary shares at the Company’s AGM on 18 May 2022 and we will make further purchases if considered appropriate.

Dividend

At the Annual General Meeting in May 2022, shareholders approved the payment of a dividend of 1.2p per ordinary share, to be paid on 1 December 2022 to shareholders on the register at close of business on 4 November 2022. As this declaration is irrevocable, the value of £5.459m is shown as a liability with the debit shown in the statement of changes in equity.

Marc Davies
Chief Financial Officer

20 September 2022

**CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	Notes	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	Audited Year ended 31 December 2021 £'000
Continuing operations				
Revenue	3	37,471	38,559	81,836
Cost of sales		<u>(19,727)</u>	<u>(20,019)</u>	<u>(42,470)</u>
Gross profit		17,744	18,540	39,366
Administrative expenses		(14,473)	(7,017)	(17,709)
Other income		<u>880</u>	<u>34</u>	<u>90</u>
Operating profit		4,151	11,557	21,747
Depreciation and amortisation		(3,361)	(2,830)	(5,885)
Share-based payments		(517)	1,392	1,238
Exceptional items	4	(1,682)	234	(95)
EBITDA before exceptional items and share-based payments		9,711	12,761	26,489
Finance income		57	22	45
Finance costs		(68)	(155)	(357)
Profit before income tax		4,140	11,424	21,435
Income tax charge	5	(1,717)	(2,237)	(5,277)
Profit for the period		2,423	9,187	16,158
Profit attributable to:				
Owners of the parent		2,213	9,069	15,851
Non-controlling interest		210	118	307
		<u>2,423</u>	<u>9,187</u>	<u>16,158</u>
Earnings per ordinary share attributable to the owners of the parent during the period				
	6	Pence	Pence	Pence
Basic		0.48	1.99	3.47
Diluted		<u>0.48</u>	<u>1.98</u>	<u>3.44</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	Audited Year ended 31 December 2021 £'000
Profit for the period	2,423	9,187	16,158
Other comprehensive income/(expense):			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income (net of tax)	(5,307)	4,040	(321)
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences	6,520	(1,334)	(1,226)
Other comprehensive income/(loss) (net of tax)	1,213	2,706	(1,547)
Total comprehensive income for the period	3,636	11,893	14,611
Attributable to:			
Owners of the parent	3,024	11,779	14,315
Non-controlling interests	612	114	296
Total comprehensive income for the period	3,636	11,893	14,611

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	Unaudited as at 30 June 2022 £'000	Unaudited as at 30 June 2021 £'000	Audited as at 31 December 2021 £'000
Assets				
Non-current assets				
Property, plant and equipment	7	18,170	12,957	15,991
Right-of-use assets	7	1,495	890	1,875
Intangible assets	8	43,387	35,134	41,894
Investments		1,566	12,818	7,789
Deferred tax assets		23	14	15
Total non-current assets		64,641	61,813	67,564
Current Assets				
Inventories		12,969	9,766	13,238
Trade and other receivables		12,236	16,107	13,428
Corporation tax receivable		408	-	548
Cash and cash equivalents		19,138	20,784	20,341
Total current assets		44,751	46,657	47,555
Total assets		109,392	108,470	115,119
Equity attributable to owners of the parent				
Share capital		4,549	4,550	4,639
Share premium		7,375	200	7,375
Other reserve		(184)	9,394	5,033
Foreign currency reserves		8,931	2,698	2,813
Retained earnings		64,775	67,580	74,264
		85,446	84,422	94,124
Non-controlling interest		1,230	435	618
Total equity		86,676	84,857	94,742
Liabilities				
Non-current liabilities				
Borrowings		44	310	431
Lease liabilities		793	475	1,095
Deferred consideration		173	-	170
Deferred tax liability		3,795	4,586	5,031
Total non-current liabilities		4,805	5,371	6,727
Current liabilities				
Trade and other payables		14,148	13,152	9,078
Lease liabilities		902	456	838
Deferred consideration		72	3,033	465
Current income tax liabilities		2,611	1,512	3,004
Borrowings		178	89	265
Total current liabilities		17,911	18,242	13,650
Total liabilities		22,716	23,613	20,377
Total equity and liabilities		109,392	108,470	115,119

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS ENDED 30 JUNE 2022

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	Audited Year to 31 December 2021 £'000
Cash flow from operating activities			
Profit before income tax	4,140	11,424	21,435
Adjustments for			
- Warranty claim	-	(251)	(285)
- Restructuring exceptional cost	1,682	-	-
- Depreciation	1,505	919	2,041
- Amortisation and impairment charges	1,856	1,911	3,844
- Deferred consideration (FV adjust)	-	132	285
- Foreign Exchange	-	(40)	61
- Bad debt written down	-	-	58
- (Profit)/loss on disposal of assets	19	(9)	(13)
- Share-based payments	517	(1,392)	(6,586)
- Net finance costs	11	1	26
Changes in working capital			
- Inventories	(693)	(1,450)	(4,601)
- Trade and other receivables	1,698	(2,960)	(3,274)
- Trade and other payables	(323)	(5,126)	1,217
Cash generated by operations	10,412	3,159	14,208
Interest paid	(39)	(11)	(36)
Income tax paid	(1,945)	(2,019)	(3,934)
Net cash generated by operating activities	8,428	1,129	10,238
Cash flow from investing activities			
Purchase of investments	(2,930)	-	-
Purchase of property, plant and equipment (PPE)	(2,167)	(1,342)	(4,335)
Purchase of intangibles	(819)	(623)	(1,314)
Acquisition of subsidiaries	(403)	-	84
Proceeds from sale of PPE	6	14	43
Interest received	57	22	45
Net cash used in investing activities	(6,256)	(1,929)	(5,477)
Cash flow from financing activities			
Dividend	-	-	(5,103)
Purchase of own shares	(3,896)	-	-
Repayment of borrowings	(525)	(89)	(178)
Principal lease payments	(551)	(257)	(643)
Dividends paid to non-controlling interests	-	(231)	(231)
Net cash used in financing activities	(4,972)	(577)	(6,155)
Net decrease in cash and cash equivalents	(2,800)	(1,377)	(1,394)
Cash and cash equivalents at beginning of period	20,341	21,913	21,913
Exchange gains on cash and cash equivalents	1,597	248	(178)
Cash and cash equivalents at end of period	19,138	20,784	20,341

FOR THE 6 MONTHS ENDED 30 JUNE 2022

	Share Capital	Share Premium	Other Reserve	Foreign Currency Reserve	Retained earnings	Total	Non- controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	4,550	200	5,354	4,028	63,516	77,648	552	78,200
Comprehensive income/(expense)								
Profit for the period	-	-	-	-	9,069	9,069	118	9,187
Other comprehensive income/(expense)								
Changes in fair value of equity instruments at fair value through other comprehensive income/(expense)	-	-	4,040	-	-	4,040	-	4,040
Currency translation differences	-	-	-	(1,330)	-	(1,330)	(4)	(1,334)
Total comprehensive income/(expense)	-	-	4,040	(1,330)	9,069	11,779	114	11,893
Transactions with owners								
Dividends to non-controlling interest	-	-	-	-	-	-	(231)	(231)
Dividend declared but not paid	-	-	-	-	(5,005)	(5,005)	-	(5,005)
Total contributions by and distributions to owners	-	-	-	-	(5,005)	(5,005)	(231)	(5,236)
At 30 June 2021	4,550	200	9,394	2,698	67,580	84,422	435	84,857
Comprehensive income/(expense)								
Profit for the period	-	-	-	-	6,782	6,782	189	6,971
Other comprehensive income/(expense)								
Changes in fair value of equity instruments at fair value through other comprehensive income/(expense)	-	-	(4,361)	-	-	(4,361)	-	(4,361)
Currency translation differences	-	-	-	115	-	115	(7)	108
Total comprehensive income/(expense)	-	-	(4,361)	115	6,782	2,536	182	2,718
Transactions with owners								
Issue of ordinary shares as consideration for a business combination, net of transaction costs	89	7,175	-	-	-	7,264	-	7,264
Dividend to owners	-	-	-	-	(98)	(98)	-	(98)
Dividends to non-controlling interest	-	-	-	-	-	-	1	1
Total contributions by and distributions to owners	89	7,175	-	-	(98)	7,166	1	7,167
At 31 December 2021	4,639	7,375	5,033	2,813	74,264	94,124	618	94,742
Comprehensive income								
Profit for the period	-	-	-	-	2,213	2,213	210	2,423
Other comprehensive income/(expense)								
Changes in fair value of equity instruments at fair value through other comprehensive income/(expense)	-	-	(5,307)	-	-	(5,307)	-	(5,307)
Currency translation differences	-	-	-	6,118	-	6,118	402	6,520
Total comprehensive income/(expense)	-	-	(5,307)	6,118	2,213	3,024	612	3,636
Transactions with owners								
Acquisition of own shares	(90)	-	90	-	(3,896)	(3,896)	-	(3,896)
Dividends to owners	-	-	-	-	(7,806)	(7,806)	-	(7,806)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	(90)	-	90	-	(11,702)	(11,702)	-	(11,702)
At 30 June 2022	4,549	7,375	(184)	8,931	64,775	85,446	1,230	86,676

NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS

1. General information and basis of presentation

EKF Diagnostics Holdings Plc is a company incorporated and domiciled in the United Kingdom. The Company is a public limited company, which is listed on the AIM market of the London Stock Exchange. The address of the registered office is Avon House, 19 Stanwell Road, Penarth, Cardiff CF64 2EZ.

The principal activity of the Group is the development, manufacture and supply of products and services into the in-vitro diagnostic (IVD) market and other industries. The Group has presence in the UK, USA, Germany, Russia, and China, and sells throughout the world including Europe, the Middle East, the Americas, Asia, and Africa.

The financial statements are presented in British Pounds Sterling, the currency of the primary economic environment in which the Company's headquarters is operated.

The financial information in these interim results is that of the holding company and all of its subsidiaries. It has been prepared in accordance with the UK-adopted International Accounting Standards and the Companies Act 2006. The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2021 and which will form the basis of the 2022 financial statements except for a number of new and amended standards which have become effective since the beginning of the previous financial year. These new and amended standards are not expected to materially affect the Group.

Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, amongst other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the year ended 31 December 2021 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the half years ended 30 June 2022 and 30 June 2021 is unaudited and the twelve months to 31 December 2021 is audited.

In the context of an increased level of uncertainty, the Group has exercised critical judgements in applying its accounting policies in whether the Group should continue to consolidate its Russian business. The Group has applied judgement in regard to whether the Group continues to control its Russian subsidiary due to the restrictions imposed by the Russian government or any other authority. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Russian government introduced various sanctions in recent months, including restrictions on the payment of dividends to "unfriendly states" that require consent from the Ministry of Finance of Russia. Since the Group continued to direct the operations and the Russian regulations currently do not prohibit the declaration and payment of dividends, the Group has taken the view that it has retained control through the six months ended 30 June 2022. Were the Group to conclude that it no longer retains control, the Russian operations would be treated as if they had been disposed of, with the associated assets and liabilities derecognised.

2. Significant accounting policies

Going concern

The Directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably plausible changes in financial performance, that the Group will be able to operate within the level of its current funding arrangements.

The Group has passed through the COVID pandemic successfully and emerged with growth in its core established business. While there is still some disruption in certain territories, healthcare activities are continuing to return to normal levels. Through the pandemic EKF has been able to learn new skills and develop a business model which offers possibilities in the post-pandemic world, the business has however now seen a significant reduction in pandemic-related contract manufacturing and testing activities and has adopted a pragmatic view that this will continue for the remainder of the year.

The Group has revenues from customers in Russia and an entity based there. As a result of the sanctions recently imposed on Russia by the EU, the USA and other countries, there are enhanced risks in respect of our Russian entity, including regulatory restrictions and credit risk to cash balances, its ability to collect debtors, and EKF's ability to import products into Russia. In addition, action by the Russian Government is currently restricting the Company's ability to pay dividends from its Russia entity. In preparing a downside going concern forecast we have discounted sales and cash from this region entirely.

The Group maintains a global supply chain and hence has experienced supply-chain availability challenges and input-costs inflationary pressure. Mitigating actions have been taken including considering forward-looking sourcing requirements and responsible price increases.

While any further economic disruption stemming from the pandemic and other Global events is impossible to forecast, the strength of the Group's balance sheet aligned to the continuing performance of the business gives the Directors confidence that the business can continue to meet its obligations as they fall due, even under our worst-case scenarios, for at least the next 12 months. Accordingly, the Directors are satisfied they can prepare the accounts on a going concern basis.

3. Segmental reporting

Management has determined the Group's operating segments based on the monthly management reports presented to the Chief Operating Decision Maker ('CODM'). The CODM is the Executive Directors and the monthly management reports are used by the Group to make strategic decisions and allocate resources.

The principal activity of the Group is the development, manufacture and supply of products and services into the in-vitro diagnostic (IVD) market and other industries. This activity takes place across various countries, such as the USA, Germany, Russia, and the United Kingdom, and as such the Board considers the business primarily from a geographic perspective. Although not all the segments meet the quantitative thresholds required by IFRS 8, management has concluded that all segments should be maintained and reported. In addition, the CODM considers the segmental revenue performance of business segments.

The reportable segments derive their revenue primarily from the development, manufacture and supply of products and services. Other services include the servicing and distribution of third-party company products under separate distribution agreements.

Currently the key operating performance measures used by the CODM are Revenue and adjusted EBITDA (earnings before interest, tax, depreciation and amortisation, adjusted for exceptional items and share-based payments).

The segment information provided to the Board for the reportable geographic segments is as follows:

Period ended 30 June 2022 unaudited

	Germany £'000	USA £'000	Russia £'000	UK £'000	Total £'000
Income statement					
Revenue	16,283	21,323	2,037	927	40,570
Inter-segment	(2,701)	(398)	-	-	(3,099)
External revenue	13,582	20,925	2,037	927	37,471
Adjusted EBITDA*	4,989	6,911	665	(2,854)	9,711
Share-based payment	-	-	-	(517)	(517)
Exceptional items	(795)	755)	-	(132)	(1,682)
EBITDA	4,194	6,156	665	(3,503)	7,512
Depreciation	(370)	(898)	(37)	(200)	(1,505)
Amortisation	(468)	(138)	-	(1,250)	(1,856)
Operating profit/(loss)	3,356	5,120	628	(4,953)	4,151
Net finance costs	(25)	(3)	56	(39)	(11)
Income tax	(493)	(996)	(158)	(70)	(1,717)
Profit/(loss) for the period	2,838	4,121	526	(5,062)	2,423
Segment assets					
Operating assets	32,707	89,337	1,047	(16,294)	106,797
Inter-segment assets	(47)	(16,699)	-	203	(16,543)
External operating assets	32,660	72,638	1,047	(16,091)	90,254
Cash and cash equivalents	7,833	8,220	2,585	500	19,138
Total assets	40,493	80,858	3,632	(15,591)	109,392
Segment liabilities					
Operating liabilities	1,046	24,045	439	14,524	40,054
Inter-segment liabilities	4,986	(19,199)	-	(3,347)	(17,560)
External operating liabilities	6,032	4,846	439	11,177	22,494
Borrowings	222	-	-	-	222
Total liabilities	6,254	4,846	439	11,177	22,716
Other segmental information					
Non-current assets – PPE	6,087	10,445	101	1,537	18,170
Non-current assets – Right-of-use assets	139	1,072	4	280	1,495
Non-current assets – Intangibles	19,600	19,222	117	4,448	43,387
Intangible assets -additions	394	145	-	280	819
PPE - additions	357	1,769	-	41	2,167
Right-of-use assets - additions	78	72	-	-	150

Year ended December 2021 audited

	Germany £'000	USA £'000	Russia £'000	UK £'000	Total £'000
Income statement					
Revenue	39,665	38,974	3,286	8,514	90,439
Inter-segment	(5,494)	(2,918)	-	(191)	(8,603)
External revenue	34,171	36,056	3,286	8,323	81,836
Adjusted EBITDA*					
Exceptional items	(452)	-	-	357	(95)
Share-based payments	-	-	-	1,238	1,238
EBITDA	11,028	12,735	981	2,888	27,632
Depreciation	(752)	(938)	(57)	(294)	(2,041)
Amortisation	(1,525)	(1,383)	-	(936)	(3,844)
Operating profit/(loss)	8,751	10,414	924	1,658	21,747
Finance income	-	7	38	-	45
Finance cost	(31)	(37)	-	(289)	(357)
Income tax	(2,806)	(2,402)	(193)	124	(5,277)
Profit for the year	5,914	7,982	769	1,493	16,158
Segment assets					
Operating assets	29,672	59,803	431	29,860	119,766
Inter-segment assets	(1,441)	(16,712)	-	(6,835)	(24,988)
External operating assets	28,231	43,091	431	23,025	94,778
Cash and cash equivalents	8,384	5,734	1,344	4,879	20,341
Total assets	36,615	48,825	1,775	27,904	115,119
Segment liabilities					
Operating liabilities	6,387	24,796	167	13,319	44,669
Inter-segment liabilities	(608)	(17,703)	-	(6,677)	(24,988)
External operating liabilities	5,779	7,093	167	6,642	19,681
Borrowings	303	393	-	-	696
Total liabilities	6,082	7,486	167	6,642	20,377
Other segmental information					
Non-current assets – PPE	5,628	8,291	80	1,992	15,991
Non-current assets – Right of use assets	111	1,379	18	367	1,875
Non-current assets – Intangibles	15,429	16,911	76	9,478	41,894
Intangible assets – additions	694	8,171	-	521	9,386
PPE – additions	693	3,366	17	258	4,335
Right-of-use assets - additions	82	1,082	31	156	1,351

Period ended 30 June 2021 unaudited

	Germany £'000	USA £'000	Russia £'000	UK £'000	Total £'000
Income statement					
Revenue	17,288	19,772	1,384	4,481	42,925
Inter-segment	(2,746)	(1,616)	-	(4)	(4,366)
External revenue	14,542	18,156	1,384	4,477	38,559
Adjusted EBITDA	5,326	7,521	364	(450)	12,761
Share-based payment	-	-	-	1,392	1,392
Exceptional items	251	-	-	(17)	234
EBITDA	5,577	7,521	364	925	14,387
Depreciation	(342)	(246)	(11)	(320)	(919)
Amortisation	(438)	(61)	-	(1,412)	(1,911)
Operating profit/(loss)	4,797	7,214	353	(807)	11,557
Net finance costs	(8)	5	16	(146)	(133)
Income tax	(692)	(1,464)	(75)	(6)	(2,237)
Profit/(loss) for the period	4,097	5,755	294	(959)	9,187
Segment assets					
Operating assets	41,595	67,395	432	(618)	108,804
Inter-segment assets	(143)	(16,480)	-	(4,495)	(21,118)
External operating assets	41,452	50,915	432	(5,113)	87,686
Cash and cash equivalents	4,382	6,177	966	9,259	20,784
Total assets	45,834	57,092	1,398	4,146	108,470
Segment liabilities					
Operating liabilities	5,714	21,240	230	17,148	44,332
Inter-segment liabilities	(446)	(17,794)	-	(2,878)	(21,118)
External operating liabilities	5,268	3,446	230	14,270	23,214
Borrowings	399	-	-	-	399
Total liabilities	5,667	3,446	230	14,270	23,613
Other segmental information					
Non-current assets – PPE	5,796	5,014	82	2,065	12,957
Non-current assets – Right-of-use assets	78	585	2	225	890
Non-current assets – Intangibles	24,376	10,416	77	265	35,134
Intangible assets -additions	366	120	-	137	623
PPE - additions	456	679	-	206	1,341
Right-of-use assets - additions	44	(35)	15	103	127

* Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation adjusted for exceptional items and share-based payments

Disclosure of Group revenues by geographic location

	Unaudited 6 months ended 30 June 2022 £000	Unaudited 6 months ended 30 June 2021 £000	Audited Year ended 31 December 2021 £000
Americas			
United States of America	17,620	16,016	31,522
Rest of Americas	1,771	1,026	3,248
Europe, Middles East and Africa (EMEA)			
Germany	4,245	4,286	7,942
United Kingdom	1,165	4,621	8,848
Ireland	5,229	4,384	14,292
Rest of Europe	1,641	2,920	4,616
Russia	2,037	1,384	3,286
Middle East	561	661	1,464
Africa	656	939	2,323
Rest of World			
China	538	424	985
Rest of Asia	2,008	1,898	3,310
Total Revenue	37,471	38,559	81,836

Revenue by business segment, which is presented for illustrative purposes only, is as follows:

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	+/- %
Point-of-Care	13,756	12,534	9.7%
Central Laboratory	6,295	6,325	(0.5%)
Life Sciences	2,024	1,033	95.9%
Contract Manufacturing	8,570	17,469	(50.9%)
Laboratory Testing	2,141	-	n/a
Other	4,685	1,198	291.1%
Total revenue	37,471	38,559	(2.8%)

4. Exceptional items

Included within administration expenses and cost of sales are exceptional items as shown below:

		Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Audited year ended 31 December 2021
	Note	£000	£000	£000
Exceptional items include:				
- Restructuring costs	a	(1,682)	-	-
- Business reorganisation costs	b	-	(17)	(37)
- Warranty claim	c	-	251	285
- Settlement of warranty claim and deferred consideration	c	-	-	(179)
- Acquisition costs	d	-	-	(164)
Exceptional items		<u>(1,682)</u>	<u>234</u>	<u>(95)</u>

- (a) Costs associated with the transition and restructure of certain operations in the US, UK and Germany
- (b) Costs associated with the restructuring of the business including the closure of EKF Ireland
- (c) Change in the value of an estimated warranty claim which offsets the deferred consideration of £3.2m (2020: £2.9m) relating to a share-based payment to the former owner of EKF-Diagnostic GmbH. The dispute was settled before 31 December 2021 resulting in a payment in cash to the former owner of £179,000. The remaining warranty claim and deferred consideration have both been written down and there is no further liability as at 30 June 2022.
- (d) Professional fees relating to the acquisition of Advanced Diagnostic Laboratory LLC in September 2021

5. Income tax

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Audited Year ended 31 December 2021
	£000	£000	£000
Current tax			
Current tax on profit for the period	(1,692)	(2,387)	(5,096)
Adjustments for prior periods	-	(4)	(96)
Total current tax	<u>(1,692)</u>	<u>(2,391)</u>	<u>(5,192)</u>
Deferred tax			
Origination and reversal of temporary differences	(25)	154	85
Total deferred tax	<u>(25)</u>	<u>154</u>	<u>85</u>
Income tax charge	<u>1,717</u>	<u>(2,237)</u>	<u>(5,277)</u>

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted profit per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share, being share options.

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000	Audited year ended 31 December 2021 £'000
Profit attributable to owners of the parent	2,213	9,069	15,851
Weighted average number of ordinary shares in issue	459,474,072	454,993,227	457,001,067
Assumed conversion of share awards	4,987	12,150	12,640
Assumed payment of equity deferred consideration	157,580	4,043,940	3,944,226
Weighted average number of ordinary shares – diluted	459,636,639	459,049,317	460,957,933
	Pence	Pence	Pence
From continuing operations			
Basic	0.48	1.99	3.47
Diluted	0.48	1.98	3.44

7. Property, plant and equipment

Group	Land and buildings £'000	Fixtures and fittings £'000	Plant and machinery £'000	Motor vehicles £'000	Assets under construction £'000	Right-of-use assets £'000	Total £'000
Cost							
At 1 January 2021	10,210	1,389	11,809	201	735	1,600	25,944
Additions	325	446	384	-	187	126	1,468
Transfers	58	332	(58)	-	(332)	-	-
Disposal	(19)	(37)	(113)	7	-	(64)	(226)
Exchange differences	(209)	(38)	(414)	-	(18)	(48)	(727)
At 30 June 2021	10,365	2,092	11,608	208	572	1,614	26,459
Acquisition of subsidiary	4	-	818	-	-	111	933
Additions	155	197	356	17	2,268	1,225	4,218
Transfers	161	(202)	397	-	(356)	-	-
Disposals	12	(65)	(134)	(63)	(13)	-	(222)
Exchange differences	14	(10)	143	(2)	(1)	60	204
At 31 December 2021	10,711	2,012	13,188	160	2,470	3,010	31,551
Additions	304	101	683	-	1,079	150	2,317
Transfers	-	215	(215)	-	-	-	-
Disposal	-	-	(213)	-	-	(207)	(420)
Exchange differences	694	72	951	79	255	192	2,243
At 30 June 2022	11,709	2,400	14,394	239	3,804	3,145	35,691
Depreciation							
At 1 January 2021	2,300	1,102	8,214	108	-	581	12,305
Exchange differences	(41)	(34)	(301)	(1)	-	(13)	(390)
Disposal	(19)	(36)	(110)	7	-	(64)	(222)
Transfers	-	182	(182)	-	-	-	-
Charge for the period	151	134	403	11	-	220	919
At 30 June 2021	2,391	1,348	8,024	125	-	724	12,612
Exchange differences	15	(8)	164	(1)	-	18	188
Disposal	12	(65)	(128)	(56)	-	-	(237)
Transfers	-	(182)	182	-	-	-	-
Charge for the period	177	156	383	13	-	393	1,122
At 31 December 2021	2,595	1,249	8,625	81	-	1,135	13,685
Exchange differences	222	50	666	43	-	67	1,048
Disposal	-	-	(188)	-	-	(207)	(395)
Impairment	-	-	51	-	-	132	183
Transfers	-	194	(194)	-	-	-	-
Charge for the period	255	158	555	14	-	523	1,505
At 30 June 2022	3,072	1,651	9,515	138	-	1,650	16,026
Net book value							
30 June 2022	8,637	749	4,879	101	3,804	1,495	19,665
31 December 2021	8,116	763	4,563	79	2,470	1,875	17,866
30 June 2021	7,974	744	3,584	83	572	890	13,847

8. Intangible Fixed Assets

Group

	Goodwill £'000	Trademarks trade names & licences £'000	Customer relationships £'000	Trade secrets £'000	Develop- ment costs £'000	Software £'000	Total £'000
Cost							
At 1 January 2021	27,003	3,317	15,541	19,056	4,453	593	69,963
Additions	-	238	-	-	317	68	623
Disposal	-	(2)	-	-	-	-	(2)
Exchange differences	(718)	275	(338)	(498)	(116)	(14)	(1,409)
At 30 June 2021	26,285	3,828	15,203	18,558	4,654	647	69,175
Acquisition of subsidiary	3,755	467	1,166	-	-	2,684	8,072
Additions	-	(134)	-	-	820	5	691
Disposals	(1,407)	(17)	(749)	(1,073)	(288)	-	(3,534)
Exchange differences	(75)	(12)	86	(157)	(11)	34	(135)
At 31 December 2021	28,558	4,284	15,706	17,328	5,023	3,370	74,269
Additions	-	15	-	-	802	2	819
Disposal	-	-	-	-	-	-	-
Impairment	(1,177)	-	-	(3,950)	(28)	-	(5,155)
Exchange differences	1,553	296	1,422	355	257	359	4,242
At 30 June 2022	28,934	4,595	17,128	13,733	6,054	3,731	74,175
Amortisation							
At 1 January 2021	2,605	2,947	11,556	14,461	1,343	-	32,912
Exchange differences	(54)	(84)	(251)	(362)	(30)	-	(781)
Disposal	-	(1)	-	-	-	-	(1)
Impairment	-	-	-	-	(8)	-	(8)
Charge for the period	-	(52)	588	1,234	107	42	1,919
At 30 June 2021	2,551	2,810	11,893	15,333	1,412	42	34,041
Exchange differences	33	(60)	48	(92)	6	1	(64)
Disposal	(1,407)	(18)	(749)	(1,073)	(288)	-	(3,535)
Impairment	-	-	-	-	8	-	8
Charge for the period	-	289	633	496	441	66	1,925
At 31 December 2021	1,177	3,021	11,825	14,664	1,579	109	32,375
Exchange differences	-	205	1,066	292	126	23	1,712
Disposal	-	-	-	-	-	-	-
Impairment	(1,177)	-	-	(3,950)	(28)	-	(5,155)
Charge for the period	-	110	705	494	228	319	1,856
At 30 June 2022	-	3,336	13,596	11,500	1,905	451	30,788
Net book value							
30 June 2022	28,934	1,259	3,532	2,233	4,149	3,280	43,387
31 December 2021	27,381	1,263	3,881	2,664	3,444	3,261	41,894
30 June 2021	23,734	1,018	3,310	3,225	3,242	605	35,134

9. Dividends

A dividend to shareholders of the holding company of 1.2p per ordinary share has been provided during the period following shareholder approval at the Annual General Meeting of the Company in May 2022 (six months to 30 June 2021 and year to 31 December 2021: both 1.1p). It will be paid on 1 December 2022 to shareholders on the register of members at the close of business on 4 November 2022.

10. Availability of this announcement

This announcement and the Group's Interim Report for the six months ended 30 June 2022 are available from the Company's website, www.ekfdiagnostics.com. If you would like to receive a hard copy of the Interim Report, please contact the EKF Diagnostics Holdings plc offices on +44 (0)29 2071 0570 to request a copy.