RNS Number : 8631E
Genedrive PLC
09 July 2019

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.*

**genedrive plc**
**("genedrive" or the "Company")**

# Trading Update

genedrive plc (LSE: GDR), the near patient molecular diagnostics company, provides an unaudited trading update for the 12 months ended 30 June 2019.

Diagnostic revenue was up at £2.4m (2018: £1.9m), broadly in line with market expectations. The Company closed the period with cash ahead of market expectations at £5.2m (31 December 2018: £5.8m); the R&D tax credit of £1.0m was received in the second half of the year.

Uptake of the Genedrive® HCV ID kit remains slow and to date 12 country registrations have been completed, which is below the year-end objective of 30. The process to qualify the Genedrive® HCV ID kit with the World Health Organisation (WHO) is in progress. The quality audit has been completed but the second component of the process, the independent clinical trial, is taking longer than anticipated owing to a lack of low viral load samples for analysis, but we are confident of completing the trial in the short term as more samples become available. We remain confident of WHO qualification and expect to be able to update the market on the result of the qualification during autumn 2019. We are optimistic about the long-term opportunity that HCV presents and expect commercial uptake to occur during the financial year to 30 June 2020, however the slower rate of country registrations and ongoing WHO pre-qualification process will have an impact on our overall rate of short-term growth. As a result we expect to fall short of market expectations for overall revenue to 30 June 2020, although we are confident of maintaining double-digit revenue growth.

Commercial sales to the US Department of Defense (DoD) relating to biohazard identification were £0.9m (2018: £1.6m) and composed only of orders of assays and units as opposed to development income in the prior year. The fulfilment of an order of £0.3m from the DoD was delayed until 2019/20 due to a supplier issue which is in the process of being resolved. We are confident of additional orders for fulfilment in 2019/20 and we remain positive of forward revenue momentum with the DoD.

The £0.6m grant to deliver an antibiotic-induced hearing loss (AIHL) related screening assay to the NHS is delivering more rapid test results than originally envisioned, with in-hospital trials expected to commence in the autumn after CE marking requirements. This assay has the potential for distribution across all NHS emergency settings to help prevent hearing loss in children, as well as application in Europe and the rest of the world.

The work performed under grant funded projects was £1.4m (2018: £0.2m) and represents payments made against grant qualifying costs incurred in the period. The two Innovate UK grant related projects for our HCV plasma separation device (£0.5m) and our Tuberculosis system (£1.1m) are progressing well with products expected at the end of calendar 2019 for the plasma separation device and the end of calendar 2020 for the TB assay, with revenues to follow thereafter.

**David Budd, Chief Executive Officer of genedrive plc, said:** *"The commercialisation of our HCV ID kit is progressing more slowly than we would have hoped. However, we continue to progress WHO pre-qualified status and the registration of the product in our target countries and so reasonably expect an upturn in demand in the future. The level of dedicated HCV testing funding has not yet flowed to meet WHO testing targets, leaving the current potential market underfunded. Our supply of Genedrive® to the US DoD and its contribution to the year and the outlook for 2019/20 continues to grow; we expect further orders for both assays and units during the forthcoming year. The grant funded projects have performed well and we are excited about the opportunities these provide, especially the hearing loss assay with its potential in European and North American hospital settings."*

The Company expects to announce results for the 12 months ended 30 June 2019 in October.

The person who arranged for the release of this announcement on behalf of genedrive plc was Matthew Fowler, Chief Financial Officer.

- Ends -

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**Notes to Editors**

**About genedrive plc**

genedrive plc is a molecular diagnostics company developing and commercialising a low cost, rapid, versatile, simple to use and robust point of need molecular diagnostics platform for the diagnosis of infectious diseases and for use in patient stratification (genotyping), pathogen detection and other indications. The Genedrive® HCV-ID kit has received CE-IVD Certification and has been launched in Africa and Asia Pacific. genedrive has distribution agreements with subsidiaries of Sysmex Corporation for the distribution of the Genedrive® platform in the EMEA and SE Asia (ex-India), and with ARKRAY Healthcare pvt Ltd for the distribution of the Genedrive® HCV-ID Kit and Genedrive® platform in India. The Company has assays on market for the detection of certain biological targets and has tests in development for tuberculosis (mTB) and Antibiotic Induced Hearing Loss (AIHL).

Further details can be found at: www.genedriveplc.com and www.genedrive.com.

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