

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 18, 2019

**GENMARK DIAGNOSTICS, INC.**

(Exact name of registrant as specified in its charter)

**Commission File Number: 001-34753**

**Delaware**

(State or other jurisdiction  
of incorporation)

**27-2053069**

(I.R.S. Employer  
Identification No.)

**5964 La Place Court  
Carlsbad, California 92008**

(Address of principal executive offices, including zip code)

**760-448-4300**

(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Selection 13(a) of the Exchange Act.

## **Item 2.02. Results of Operations and Financial Condition.**

On February 21, 2019, GenMark Diagnostics, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained under this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing, unless the Company expressly sets forth in such filing that such information is to be considered “filed” or incorporated by reference therein.

## **Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

### ***Appointment of Scott Mendel as Chief Operating Officer***

On February 18, 2019, the Board of Directors of the Company (the “Board”) appointed Scott Mendel as the Chief Operating Officer (“COO”) of the Company, effective immediately. Mr. Mendel, age 52, has served as the Company’s Chief Financial Officer (“CFO”) since May 2014. Prior to joining the Company, Mr. Mendel served as CFO of The Active Network, Inc., a global software-as-a-service (SaaS) company that provides technology to organizers of events and activities, from March 2010 through its acquisition by the private-equity firm Vista Equity Partners in December 2013. Prior to joining The Active Network, Mr. Mendel held finance positions at General Electric, a diversified technology, media and financial services company, for over 20 years, including CFO from March 2003 to March 2010 for General Electric’s Healthcare IT division, a leading provider of medical technologies and services. Mr. Mendel earned a B.S. in finance from Indiana University and an M.B.A. from Northwestern University’s Kellogg School of Management.

In connection with Mr. Mendel’s appointment as COO, on February 18, 2019 the Compensation Committee of the Board (the “Compensation Committee”) approved the following compensation terms for Mr. Mendel:

- Mr. Mendel will receive an annual base salary of \$356,000;
- Mr. Mendel’s target bonus under the Company’s 2019 Bonus Plan (the “2019 Bonus Plan,” as further described below) will equal 50% of his annual base salary; and
- Mr. Mendel was granted under the terms of the Company’s 2010 Equity Incentive Plan (as amended, the “2010 Plan”) (a) 127,500 restricted stock units, which vest 25% on the first anniversary of the grant date and in equal quarterly installments thereafter over the following three years; and (b) 42,500 market-based stock units, which have the opportunity to be earned in an amount between 0% and 200% of the target amount granted over a three-year period based on the Company’s total stockholder return as compared to the total stockholder return of the Nasdaq Composite Index (IXIC).

There are no arrangements or understandings between Mr. Mendel and any other persons in connection with his appointment as the Company’s COO. There are no family relationships between Mr. Mendel and any director or executive officer of the Company, and Mr. Mendel is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

### ***Appointment of Johnny Ek as Chief Financial Officer***

In addition, on February 18, 2019 the Board appointed Johnny Ek as the Company’s CFO, effective immediately. Mr. Ek, age 43, has served as the Company’s Vice President, Finance and Accounting and Corporate Controller since November 2013. Prior to joining the Company, Mr. Ek served as Vice President and International Controller for Affymetrix, Inc., a leading provider of cellular and genetic analysis products, from May 2013 to November 2013. Prior to joining Affymetrix, Mr. Ek served as Controller of eBioscience, Inc., a privately held provider of flow cytometry and immunoassay reagents, from October 2010 through eBioscience’s acquisition by Affymetrix in May 2013. Prior to joining eBioscience, Mr. Ek held various roles with Ernst & Young LLP from May 2001 to October 2010, most recently serving as Senior Manager. Mr. Ek is a Certified Public Accountant (CPA) and earned a B.S. in finance from Brigham Young University and a Masters degree in accountancy (MAcc) from the University of Notre Dame’s Mendoza College of Business.

In connection with Mr. Ek's appointment as CFO, on February 18, 2019 the Compensation Committee approved the following compensation terms for Mr. Ek:

- Mr. Ek will receive an annual base salary of \$285,000;
- Mr. Ek's target bonus under the 2019 Bonus Plan will equal 50% of his annual base salary; and
- Mr. Ek was granted under the 2010 Plan (a) 75,000 restricted stock units, which vest 25% on the first anniversary of the grant date and in equal quarterly installments thereafter over the following three years; and (b) 25,000 market-based stock units, which have the opportunity to be earned in an amount between 0% and 200% of the target amount granted over a three-year period based on the Company's total stockholder return as compared to the total stockholder return of the Nasdaq Composite Index (IXIC).

The Company also intends to enter into its standard Indemnification Agreement with Mr. Ek, the form of which was filed with the Securities and Exchange Commission as Exhibit 10.17 to the Company's Registration Statement on Form S-1 (File No. 333-165562) on March 19, 2010.

There are no arrangements or understandings between Mr. Ek and any other persons in connection with his appointment as the Company's CFO. There are no family relationships between Mr. Ek and any director or executive officer of the Company, and Mr. Ek is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

#### ***Approval of the 2019 Bonus Plan***

On February 18, 2019, the Compensation Committee adopted the 2019 Bonus Plan, which provides for the payment to eligible employees, including the Company's named executive officers ("NEOs"), of cash incentive compensation for the 2019 calendar year performance period. The Compensation Committee established a target bonus for Hany Massarany, the Company's President and Chief Executive Officer, under the 2019 Bonus Plan equal to 100% of his annual base salary, and established a target bonus for each of the Company's other NEOs (including Mr. Mendel and Mr. Ek) equal to 50% of their respective 2019 base salaries. Bonuses payable under the 2019 Bonus Plan are based on certain financial, commercial, product development, and/or individual goals as approved by the Compensation Committee. Based on actual performance, a participant in the 2019 Bonus Plan may receive between 0% and 160% of his or her target bonus amount under the 2019 Bonus Plan. The foregoing description of the 2019 Bonus Plan is only a summary, does not purport to be complete, and is qualified in its entirety by reference to the full text of the 2019 Bonus Plan, a copy of which is filed hereto as Exhibit 99.2.

#### **Item 7.01. Regulation FD Disclosure.**

On February 21, 2019, the Company issued a press release announcing the management changes described in Item 5.02 of this Form 8-K, a copy of which is attached hereto as Exhibit 99.3.

The information contained under this Item 7.01, including Exhibit 99.3 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing, unless the Company expressly sets forth in such filing that such information is to be considered "filed" or incorporated by reference therein.

#### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press release dated February 21, 2019

99.2 The GenMark Diagnostics, Inc. 2019 Bonus Plan

99.3 Press release dated February 21, 2019

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

**GENMARK DIAGNOSTICS, INC.**

Date: February 21, 2019

/s/ Eric Stier

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Eric Stier

Senior Vice President, General Counsel and Secretary

## EXHIBITS

Exhibit Number	Description
99.1	<a href="#">Press release dated February 21, 2019</a>
99.2	<a href="#">The GenMark Diagnostics, Inc. 2019 Bonus Plan</a>
99.3	<a href="#">Press release dated February 21, 2019</a>

February 21, 2019

## GenMark Diagnostics Reports Fourth Quarter and Full Year 2018 Results

CARLSBAD, Calif - GenMark Diagnostics, Inc. (Nasdaq: GNMK), a leading provider of automated, multiplex molecular diagnostic testing systems, today announced financial results for the fourth quarter and year ended December 31, 2018.

### Financial Highlights

- Revenues for the full year 2018 were \$70.8 million, an increase of 35% over 2017
  - ePlex® revenue for the full year 2018 of \$37.9 million, an increase of more than 270% over 2017
- Revenues for the fourth quarter of 2018 were \$19.4 million, an increase of 21% over the prior year period
  - ePlex revenue for the fourth quarter of 2018 of \$12.1 million, an increase of approximately 110% over the prior year

### Operational Highlights

- Placed 42 net new ePlex analyzers in the fourth quarter of 2018, exiting the year with a global installed base of 354 ePlex analyzers
- Received FDA 510(k) market clearance for the company's ePlex Blood Culture Identification Gram-Positive Panel (BCID-GP) and Fungal Pathogen Panel (BCID-FP)
- Announced Executive Leadership Changes
  - Former CFO Scott Mendel to assume newly created position as Chief Operating Officer
  - Former Vice President of Finance and Corporate Controller Johnny Ek promoted to Chief Financial Officer
- Expanded and restructured term loan agreement adding \$11 million to the balance sheet on February 1, 2019 with potential to increase by an additional \$15 million upon meeting certain revenue milestones

"I'm proud of our many accomplishments in 2018, including driving global commercial ePlex adoption, expanding our ePlex test menu, and improving manufacturing cost and yield efficiencies," said Hany Massarany, President and Chief Executive Officer. "With a highly experienced commercial team and expanded ePlex menu, this year we will remain focused on growing our market share and installed base of ePlex systems. We will also continue to implement additional manufacturing improvements which further drive cost efficiencies and help achieve our ePlex gross margin target of 60%-plus over the next two to three years."

### Fourth Quarter Financial Results

Revenue was \$19.4 million in the fourth quarter of 2018, an increase of 21% versus \$16.0 million in the fourth quarter of 2017. Gross profit was \$5.3 million, or 27% of revenue, compared with \$4.7 million, or 30% of revenue in the same period of 2017.

Operating expenses for the fourth quarter of 2018 were \$15.9 million compared to \$18.7 million in the same period of 2017. The decrease was largely due to reduced ePlex development expenses.

Loss per share was \$0.21 for the fourth quarter of 2018, compared to a \$0.26 loss per share in the fourth quarter of 2017.

### Full Year 2018 Financial Results

Revenue was \$70.8 million in 2018, an increase of 35% versus \$52.5 million in 2017. Gross profit was \$19.5 million, or 28% of revenue, compared with \$20.0 million, or 38% of revenue in the prior year.

Operating expenses for 2018 were \$67.3 million compared to \$79.5 million in 2017. The decrease was largely due to reduced ePlex development expenses.

Loss per share was \$0.91 for 2018, compared to a \$1.21 loss per share in 2017.

Cash and investments were \$45.2 million as of December 31, 2018.

### Guidance for Full Year 2019

GenMark expects total revenue for the full year 2019 to be in the range of \$85 million to \$90 million.

Global ePlex placements are expected to range from 170 to 190 net new analyzers with an annuity per analyzer of \$135,000 to \$145,000. The ePlex platform is expected to reach 75% of total 2019 revenue, representing 70% year-over-year growth in ePlex revenues.

Gross margin is expected to be in the 28% to 30% range and operating expenses are expected to be approximately \$65 million to \$70 million.

Cash usage is projected to decline year over year to \$25 million to \$30 million.

#### **Webcast and Conference Call Information**

GenMark will be hosting a conference call to discuss fourth quarter results in further detail on Thursday, February 21, 2019 starting at 4:30 p.m. ET. The conference call will be concurrently webcast. The link to the webcast will be available on the GenMark Diagnostics, Inc. website at [www.genmarkdx.com](http://www.genmarkdx.com) under the investor relations section and will be archived for future reference. To listen to the conference call, please dial (877) 312-5847 (US/Canada) or (253) 237-1154 (International) and use the conference ID number 8163576 approximately five minutes prior to the start time.

#### **About GenMark Diagnostics**

GenMark Diagnostics (NASDAQ: GNMK) is a leading provider of multiplex molecular diagnostic solutions designed to enhance patient care, improve key quality metrics, and reduce the total cost-of-care. Utilizing GenMark's proprietary eSensor® detection technology, GenMark's eSensor XT-8® and ePlex® systems are designed to support a broad range of molecular diagnostic tests with compact, easy-to-use workstations and self-contained, disposable test cartridges. GenMark's ePlex: The True Sample-to-Answer Solution™ is designed to optimize laboratory efficiency and address a broad range of infectious disease testing needs, including respiratory, bloodstream, and gastrointestinal infections. For more information, visit [www.genmarkdx.com](http://www.genmarkdx.com).

#### **Safe Harbor Statement**

This press release includes forward-looking statements regarding events, trends and business prospects, which may affect our future operating results and financial position. Such statements, including, but not limited to, those regarding our future financial performance, regulatory submissions and approvals, plans and objectives of management, and the timely and effective commercialization and clinical impact of our ePlex system, are all subject to risks and uncertainties that could cause our actual results and financial position to differ materially. Some of these risks and uncertainties include, but are not limited to, our ability to successfully commercialize our ePlex system and its related test menu in a timely manner, constraints or inefficiencies caused by unanticipated acceleration and deceleration of customer demand, our ability to successfully expand sales of our product offerings outside the United States, and third-party payor reimbursement to our customers, as well as other risks and uncertainties described under the "Risk Factors" in our public filings with the Securities and Exchange Commission. We assume no responsibility to update or revise any forward-looking statements to reflect events, trends or circumstances after the date they are made.

#### **Investor Relations Contact**

Lynn Pieper Lewis or Leigh Salvo  
(415) 937-5404

**GENMARK DIAGNOSTICS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par value)

	As of December 31,	
	2018	2017
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$ 36,286	\$ 26,754
Short-term marketable securities	8,882	45,236
Accounts receivable, net of allowances of \$75 and \$2,754, respectively	11,534	10,676
Inventories	10,244	10,949
Prepaid expenses and other current assets	1,483	2,216
Total current assets	68,429	95,831
Property and equipment, net	21,070	22,581
Intangible assets, net	2,023	2,624
Restricted cash	758	758
Other long-term assets	701	505
Total assets	\$ 92,981	\$ 122,299
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 9,886	\$ 11,171
Accrued compensation	7,358	5,419
Current portion of long-term debt	—	7,927
Other current liabilities	3,043	3,226
Total current liabilities	20,287	27,743
Deferred rent	2,996	3,059
Long-term debt	36,042	20,099
Other noncurrent liabilities	109	241
Total liabilities	59,434	51,142
Commitments and contingencies - See Note 7		
Stockholders' equity		
Preferred stock, \$0.0001 par value; 5,000 authorized, none issued	—	—
Common stock, \$0.0001 par value; 100,000 authorized; 56,240 and 55,066 shares issued and outstanding, respectively	6	6
Additional paid-in capital	500,344	487,525
Accumulated deficit	(466,883)	(416,383)
Accumulated other comprehensive income	80	9
Total stockholders' equity	33,547	71,157
Total liabilities and stockholders' equity	\$ 92,981	\$ 122,299

**GENMARK DIAGNOSTICS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<b>Revenue:</b>				
Product revenue	\$ 19,325	\$ 15,947	\$ 70,481	\$ 52,260
License and other revenue	53	75	278	259
Total revenue	19,378	16,022	70,759	52,519
Cost of revenue	14,106	11,287	51,278	32,514
Gross profit	5,272	4,735	19,481	20,005
<b>Operating expenses:</b>				
Sales and marketing	5,813	5,584	21,777	20,557
General and administrative	4,147	4,651	17,545	16,205
Research and development	5,924	8,463	27,931	42,760
Total operating expenses	15,884	18,698	67,253	79,522
Loss from operations	(10,612)	(13,963)	(47,772)	(59,517)
<b>Other income (expense):</b>				
Interest income	134	208	711	561
Interest expense	(862)	(771)	(3,108)	(3,042)
Other income (expense)	(143)	22	(192)	249
Total other income (expense)	(871)	(541)	(2,589)	(2,232)
Loss before provision for income taxes	(11,483)	(14,504)	(50,361)	(61,749)
Income tax expense (benefit)	80	32	139	101
Net loss	\$ (11,563)	\$ (14,536)	\$ (50,500)	\$ (61,850)
Net loss per share, basic and diluted	\$ (0.21)	\$ (0.26)	\$ (0.91)	\$ (1.21)
Weighted average number of shares outstanding, basic and diluted	56,065	54,910	55,669	51,169
<b>Other comprehensive loss:</b>				
Net loss	\$ (11,563)	\$ (14,536)	\$ (50,500)	\$ (61,850)
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation adjustments, net of tax	15	(229)	44	(84)
Net unrealized gains (losses) on marketable securities, net of tax	1	22	27	(2)
Total other comprehensive income/(loss)	16	(207)	71	(86)
Total comprehensive loss	\$ (11,547)	\$ (14,743)	\$ (50,429)	\$ (61,936)

**GENMARK DIAGNOSTICS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Years ended December 31,		
	2018	2017	2016
<b>Operating activities:</b>			
Net loss	\$ (50,500)	\$ (61,850)	\$ (50,601)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	7,088	5,317	3,916
Net amortization/(accretion) of premiums/discounts on investments	(142)	(39)	89
Gain on sale of investment in preferred stock	—	—	(9)
Amortization of deferred debt issuance costs	938	1,132	388
Stock-based compensation	11,697	12,170	9,236
Provision for bad debt	23	14	13
Non-cash inventory adjustments	1,426	1,323	134
Other non-cash adjustments	15	(224)	145
Changes in operating assets and liabilities:			
Accounts receivable	(878)	(1,555)	(2,250)
Inventories	(2,414)	(10,512)	(3,450)
Prepaid expenses and other assets	854	(599)	(613)
Accounts payable	(1,389)	2,557	4,105
Accrued compensation	1,059	(263)	2,172
Other current and non-current liabilities	(289)	(893)	1,088
Net cash used in operating activities	(32,512)	(53,422)	(35,637)
<b>Investing activities:</b>			
Payments for intellectual property licenses	—	(500)	(1,500)
Purchases of property and equipment	(2,575)	(4,815)	(7,000)
Purchases of marketable securities	(29,778)	(70,989)	(33,688)
Proceeds from sales of marketable securities	—	13,896	8,015
Maturities of marketable securities	66,300	37,500	10,050
Net cash provided by (used in) investing activities	33,947	(24,908)	(24,123)
<b>Financing activities:</b>			
Proceeds from issuance of common stock	1,061	87,267	30,920
Costs incurred in conjunction with public offering	—	(5,469)	(1,143)
Principal repayment of borrowings	(92)	(7,848)	(40)
Proceeds from borrowings	7,098	15,000	10,000
Costs associated with debt issuance	(20)	(187)	(90)
Proceeds from stock option exercises	22	287	712
Net cash provided by financing activities	8,069	89,050	40,359
Effect of exchange rate changes on cash	28	75	(25)
Net increase (decrease) in cash and cash equivalents	9,532	10,795	(19,426)
Cash and cash equivalents at beginning of year	27,512	16,717	36,143
Cash and cash equivalents at end of year	\$ 37,044	\$ 27,512	\$ 16,717
<b>Non-cash investing and financing activities:</b>			
Transfer of systems from property and equipment into inventory	\$ 1,689	\$ 4,885	\$ 263
Property and equipment costs incurred but not paid included in accounts payable	\$ 372	\$ 227	\$ 1,159
<b>Supplemental cash flow information:</b>			
Cash paid for interest	\$ 2,028	\$ 1,643	\$ 1,130
Cash paid for income taxes, net	\$ 165	\$ 61	\$ 65



## INTRODUCTION

The 2019 Bonus Plan (this “Bonus Plan” or “Plan”) is intended to retain Plan Participants and motivate them in their respective positions to achieve priority objectives at GenMark. The Bonus Plan is an annual plan with a single payout calculated according to Company performance levels achieved and individual performance.

## DEFINITIONS

“**Eligible Earnings**” means (i) for employees in an exempt position, their annualized base salary at the end of the Performance Period while a Plan Participant; and (ii) for employees in non-exempt positions, their base hourly or salary wages annualized at the rate at the end of the Performance Period while a Plan Participant. Other payments and forms of compensation such as overtime are excluded from Eligible Earnings. Prorated consideration will be given for partial year employment situations and leaves of absence.

“**Performance Period**” means, as applicable, GenMark’s fiscal year from January 1, 2019 to December 31, 2019.

“**Plan Participant**” means an individual eligible to participate in this Plan (and, thus, to potentially receive bonus(es) under this Plan) if s/he satisfies each of the following conditions:

- Is a regular employee of the Company (temporary and contract personnel are not eligible) and begins employment with the Company prior to October 1, 2019;
- Is not a participant in any other GenMark bonus, incentive, variable or sales compensation plan;
- Is provided with notice of eligibility to participate in this Plan, including his/her target bonus percentage opportunity under this Plan which is based on his/her position at GenMark; and
- Remains employed by GenMark in a position eligible to participate in this Plan through both the Performance Period *and* through the date bonuses are paid to participants under this Plan.

Once an individual ceases to meet any of the above conditions, the employee ceases to be a Plan Participant and is not eligible to receive or keep any bonus under this Plan.

## HOW THIS PLAN WORKS

This Plan is administered by the Compensation Committee of GenMark’s Board of Directors (the “Compensation Committee”), in its sole business judgment and discretion. The Compensation Committee intends to administer this Plan in accordance with the Performance Goals (as defined below), although it retains the legal right to full and absolute discretion and authority to administer the Plan differently, taking into account any other facts, factors and circumstances that may be relevant at the time bonus pool funding and bonus award determinations are made. Such other facts, factors and circumstances may prompt the Compensation Committee to administer this Plan differently than the Performance Goals may direct, although all of the factors covered by the Performance Goals below will be considered by the Compensation Committee in making bonus pool funding and bonus award determinations.

At the conclusion of the Performance Period, once the Company’s financial results are determined, a bonus pool may be released based on identified criteria. A bonus payout may be calculated based on GenMark’s performance as measured against Financial Goals, Product Development Goals, Organization Goals, Individual Goals, and/or such other goals as determined by the Compensation Committee, in each case as approved by the Compensation Committee during the first quarter of 2019 (collectively, the “Performance Goals”). Based on performance thresholds, payouts may occur between 0% and 160% of target. During the Performance Period, a Plan Participants’ job performance may be assessed by their respective supervisors. Payout calculations are reviewed and approved by the CEO and/or Board of Directors.



## BONUS PAYMENTS

A Plan Participant's actual bonus payout for the Performance Period will be determined based on his/her target bonus percentage, his/her Eligible Earnings for the Performance Period, and prorated as applicable for any partial year employment. The Compensation Committee will approve the bonus payouts based on Company results achieved, and has the sole business judgment and discretion to make any adjustments to the bonus payout amounts and form of payment.

## MISCELLANEOUS

**1. Bonus Payments.** All bonus payments will be subject to tax and other legally required withholdings and deductions, as well as those authorized by the Plan Participant under established Company plans. Bonus payments will be made in the Plan Participant's local currency and as soon as administratively practicable following conclusion of the Performance Period, after GenMark's financials are completed (and, as necessary, audited), but in no event later than 75 days following the end of the Performance Period.

Absent any errors or mistakes by GenMark with respect to data, calculations and eligibility determinations resulting in a bonus payment under this Plan, bonuses paid under this Plan are earned when received by the Plan Participant. In the event of any such errors or mistakes by GenMark, a Plan Participant or former Plan Participant will not have earned the bonus and must repay any bonus amount received due to such error or mistake.

**2. Plan Administration.** This Plan is discretionary. No employee or Plan Participant is entitled to receive any bonus under this Plan regardless of GenMark's financial performance, bonus funding, Plan Participant performance or bonus recommendation under the Performance Goals set forth herein or otherwise. This Plan is administered by the Compensation Committee, which, along with the Board of Directors, has the sole authority and discretion to interpret, make exceptions to, make determinations under, change and terminate this Plan at any time in its sole business judgment and discretion. Moreover, nothing about this Plan is intended to be, nor shall be construed as, an employment contract between GenMark and any employee or Plan Participant for employment or continued employment for any period, or in any GenMark position.

**3. Governing Law.**

The Plan shall be construed and interpreted in accordance with the laws of the state of California (but not its conflict of laws provisions) and, to the extent required by local law, the laws of the jurisdiction in which the Plan Participant is or was employed by the Company during the period of eligibility to participate in the Plan.

February 21, 2019

### **GenMark Diagnostics Announces Expansion of Executive Leadership Team**

CARLSBAD, Calif. - GenMark Diagnostics, Inc. (NASDAQ:GNMK), a leading provider of automated, multiplex molecular diagnostic testing systems, today announced the expansion of its executive leadership team. Effective immediately, Scott Mendel, currently GenMark's Chief Financial Officer, assumes the newly created role of Chief Operating Officer. Simultaneous with this transition, Johnny Ek has been promoted to Chief Financial Officer. Ek has served as GenMark's Vice President of Finance and Corporate Controller since 2013.

"Scott's deep knowledge of our business, as well as his strong leadership skills, make him the ideal COO for our company. In this new role, Scott will lead our integrated Product Development, Manufacturing and Quality organizations, to further our mission of delivering the most innovative and highest quality molecular diagnostic solutions to meet our customer needs and help improve patient outcomes," said Hany Massarany, President and Chief Executive Officer. "A fundamental aspect of this mission is our continued focus on manufacturing cost efficiencies and ePlex gross margin improvements, to achieve our target of 60%-plus over the next 2-3 years. I am confident that under Scott's leadership, we can achieve this important goal."

Mr. Massarany continued, "We're also pleased to welcome Johnny to our executive team. Since joining GenMark over five years ago, he has made significant contributions to the company and played a pivotal role in our financial organization. His experience and leadership skills, as well as his thorough knowledge of our financial operations, make Johnny the obvious choice as our new CFO."

In his leadership roles at GenMark, Ek has been responsible for all accounting and treasury functions and has also successfully led the internal audit and SOX efforts. Prior to joining GenMark, he served as Vice President of Finance and International Controller for Affymetrix, as Corporate Controller of eBioScience, and as a Senior Manager at Ernst & Young. Ek is a certified public accountant (CPA) in the State of California.

#### **About GenMark Diagnostics**

GenMark Diagnostics (NASDAQ: GNMK) is a leading provider of multiplex molecular diagnostic solutions designed to enhance patient care, improve key quality metrics, and reduce the total cost-of-care. Utilizing GenMark's proprietary eSensor® detection technology, GenMark's eSensor XT-8® and ePlex® systems are designed to support a broad range of molecular diagnostic tests with compact, easy-to-use workstations and self-contained, disposable test cartridges. GenMark's ePlex: The True Sample-to-Answer Solution™ is designed to optimize laboratory efficiency and address a broad range of infectious disease testing needs, including respiratory, bloodstream, and gastrointestinal infections. For more information, visit [www.genmarkdx.com](http://www.genmarkdx.com).

#### **Forward Looking Statements**

This press release includes forward-looking statements regarding events, trends and business prospects, which may affect our future operating results and financial position. Such statements, including, but not limited to, those regarding the development of new products and the achievement of planned cost efficiencies and gross margin improvements, are all subject to risks and uncertainties that could cause our actual results and financial position to differ materially. Some of these risks and uncertainties include, but are not limited to, our ability to successfully develop additional products and execute our cost reduction and gross margin improvement strategies, the commercialization our ePlex system and its related test menu in a timely manner, constraints or inefficiencies caused by unanticipated acceleration and deceleration of customer demand, our ability to successfully expand sales of our product offerings outside the United States, and third-party payor reimbursement to our customers, as well as other risks and uncertainties described under the "Risk Factors" in our public filings with the Securities and Exchange Commission. We assume no responsibility to update or revise any forward-looking statements to reflect events, trends or circumstances after the date they are made.

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