

Final Results
For the year ended
31 March 2022



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Omega Team



Jag Grewal – CEO

- Jag joined Omega in June 2011 as Group Sales and Marketing Director
- Appointed Managing Director of Omega's Health and Nutrition Division in August 2020
- Worked in the medical diagnostics industry for over 25 years
- Past Chairman and current Treasurer of the British In Vitro Diagnostics Association (BIVDA)



Chris Lea – CFO

- Chris joined Omega in August 2021 as Chief Financial Officer and Company Secretary
- Previously CFO of two other AIM-listed companies, IndigoVision Group plc and Superglass Holdings PLC, both of which were successfully turned around under Chris' management and were subsequently acquired by larger corporations
- Prior to his public company roles, Chris was CFO of Aviagen Europe

Agenda

- Introduction
- A new vision and focused strategy
- FY22 Operational Highlights
- FY22 Financials
- Core business overview and growth strategy
- Summary

What We Do

- Over **30 years'** scientific heritage
- Develop, manufacture and market pioneering diagnostic products
- Global network, in over **70 countries**
- Enable healthcare professionals to make informed decisions to improve patients' long-term health

Our **Health and Nutrition** division is a pioneer and market leader in food sensitivity testing. Enabling healthcare professionals and their patients to identify lifestyle and dietary changes that can significantly improve their long-term health and well-being

Our **Global Health** division offers uniquely instrument free, easily accessible CD4 tests to low- and middle-income countries for effective management of HIV

NOW DISCONTINUED

Operational Highlights



Financials



Consolidated Statement of Comprehensive Income



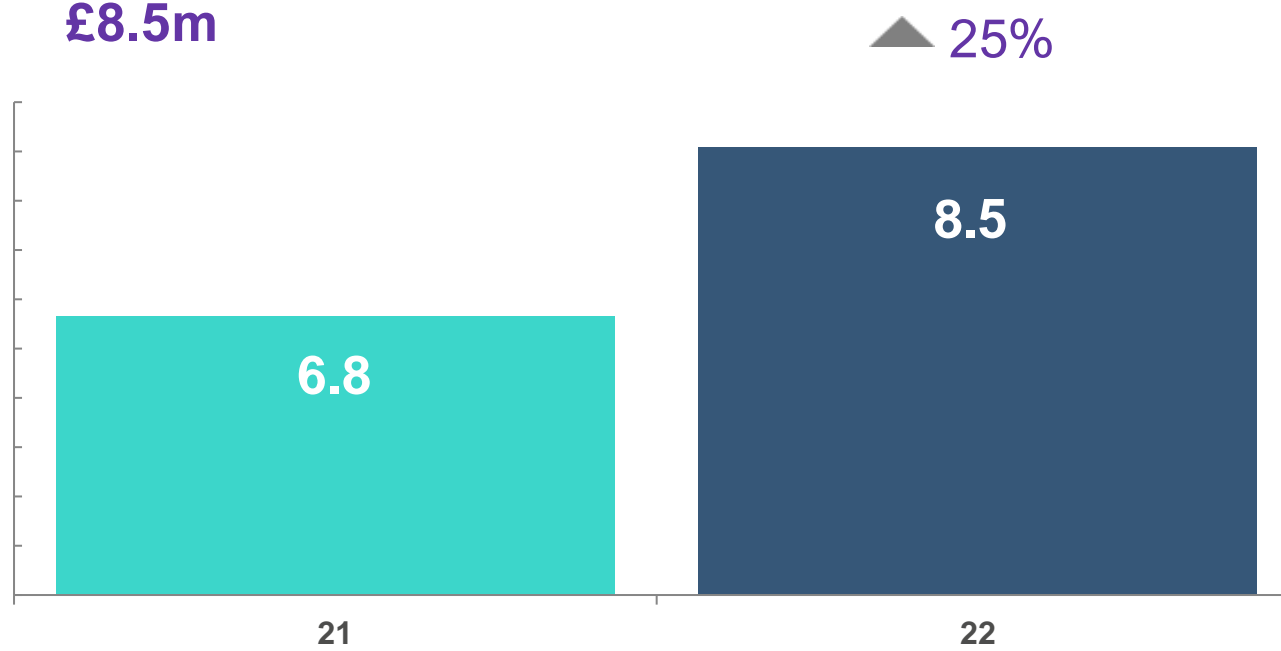
	2022 £'000	2021 £'000
Continuing operations		
Revenue	8,539	6,816
Cost of sales	(3,437)	(2,820)
Gross profit	5,102	3,996
Administration costs	(4,438)	(3,638)
Selling and marketing costs	(1,256)	(980)
Other income	-	154
Operating loss before exceptional items	(592)	(468)
Exceptional items	(337)	—
Operating loss after exceptional items	(929)	(468)
Finance costs	(21)	(78)
Loss before taxation	(950)	(546)
Tax (expense)/credit	(459)	931
(Loss)/profit for the year from continuing operations	(1,409)	385
Discontinued operations		
Loss after tax for the year from discontinued operations	(9,924)	(2,489)
Loss for the year	(11,333)	(2,104)

- Exceptional items include severance costs and aborted placing fees

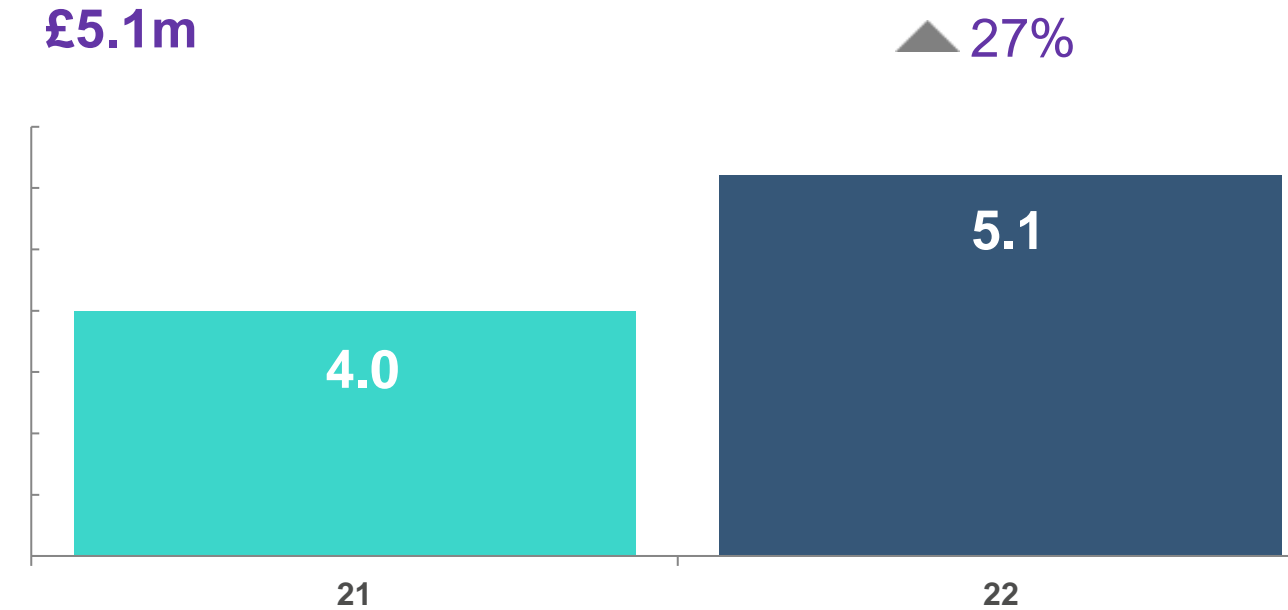
Financial KPIs – continuing operations

Year ending 31 March 2022

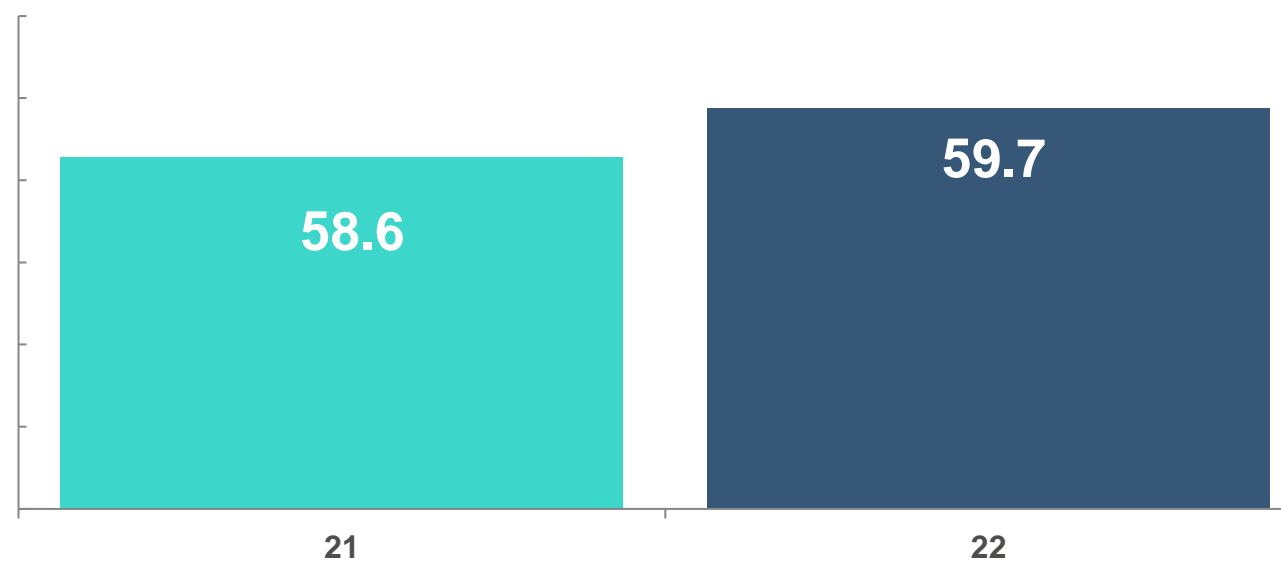
Sales (£m)
£8.5m



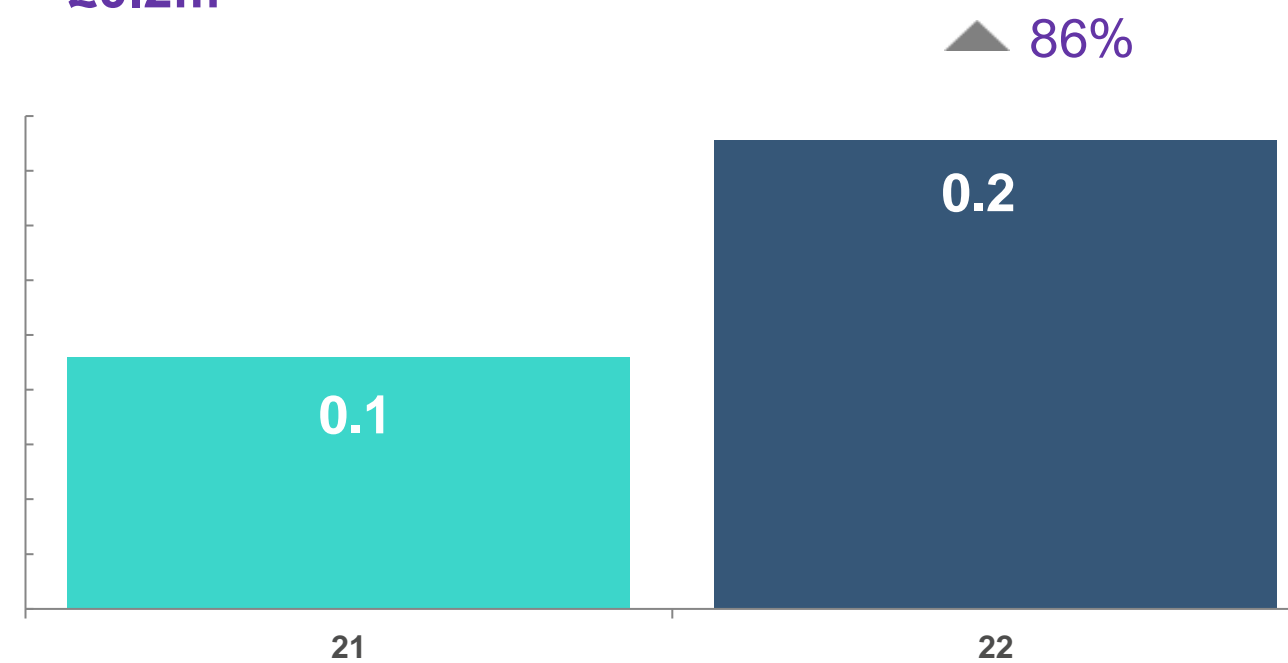
Gross profit (£m)
£5.1m



Gross profit (%)
59.7%

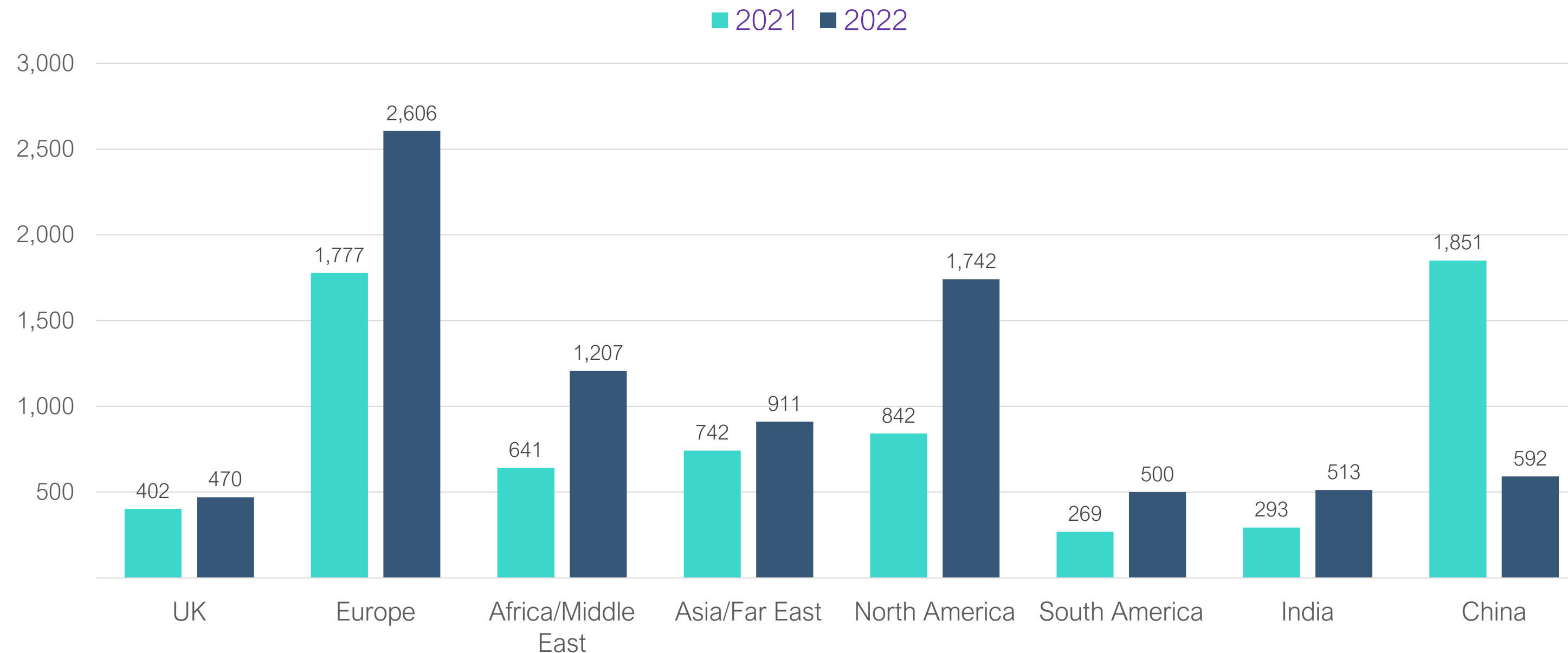


Adjusted EBITDA* (£m)
£0.2m



Financial KPIs – continuing operations Year ending 31 March 2022

Regional Sales H&N



- All regions are growing, other than China
- Joinstar sales 2021 £1.2m (2022: £nil)

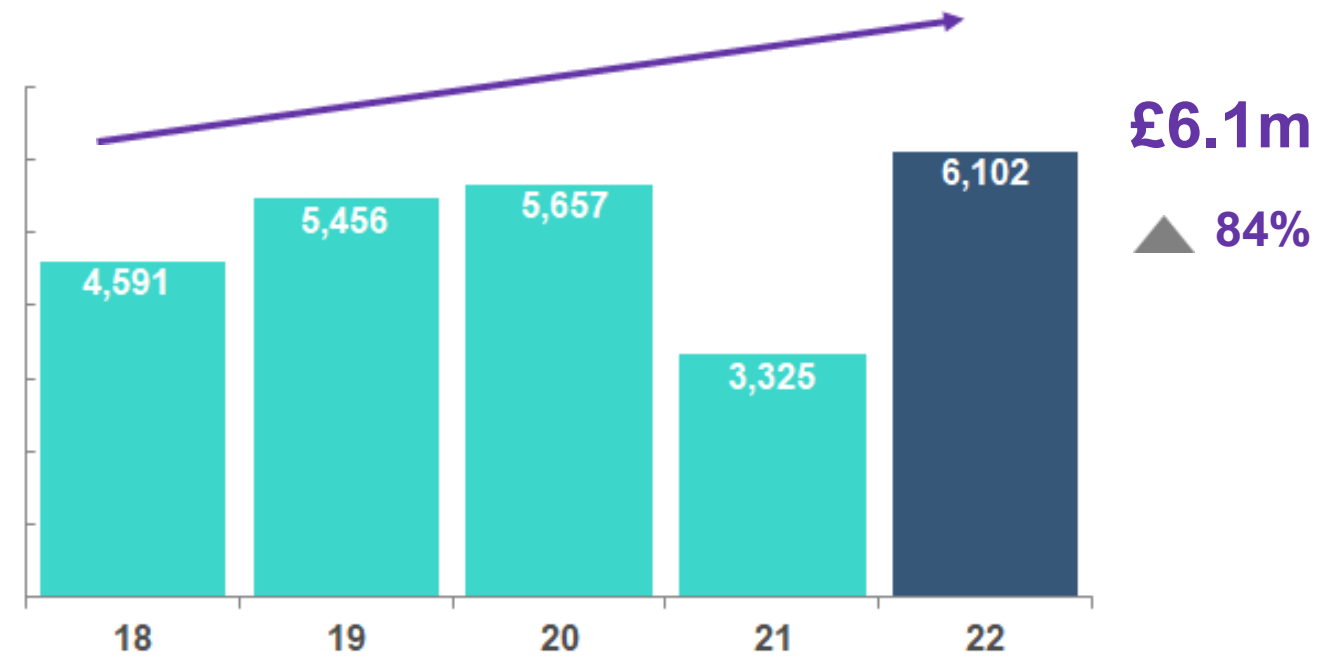
Health and Nutrition Product Sales

Year ending 31 March 2022

FoodPrint Reagent Sales

Strong recovery of laboratory-based sales that supported increased home sampling and remote consultations.

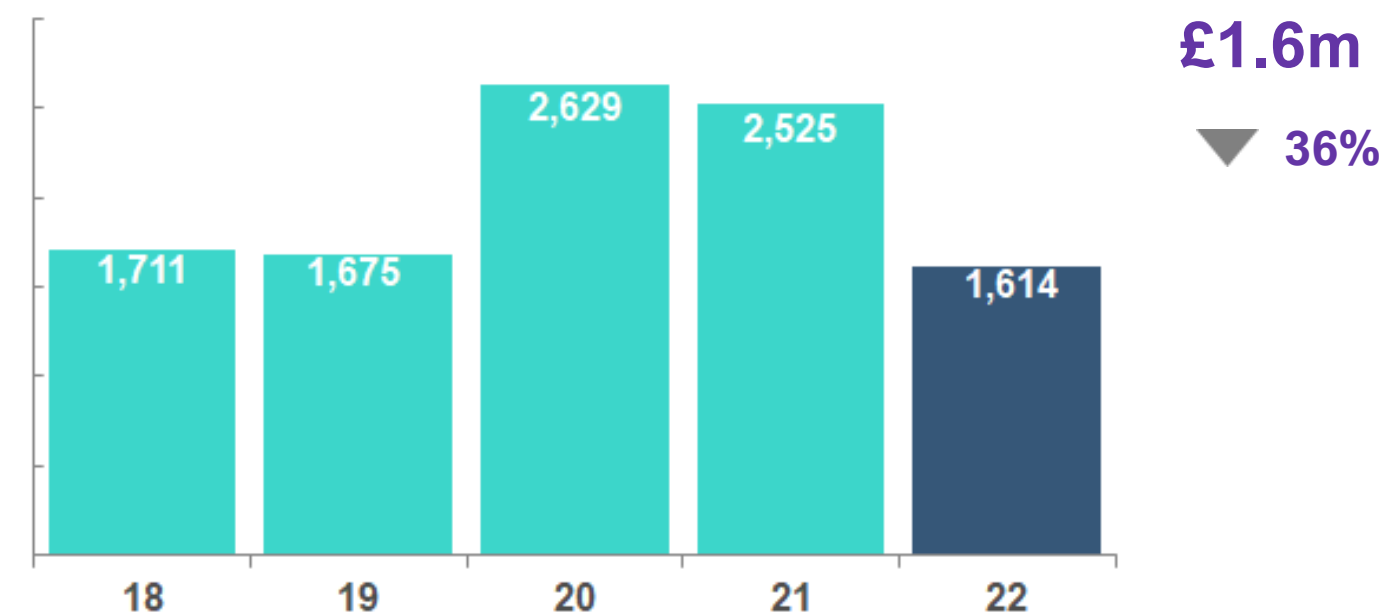
Organic growth over prior non-pandemic year (FY20).



Food Detective Sales

No China sales in FY22

Stable business of entry level product being superseded by more sophisticated and in-demand laboratory testing.



Global Health Division (discontinued)



Sale of Alva site – Completed 7 March 2022

- Alva site was losing £0.5m a month due to low volume and high fixed costs following the non-progression of the DHSC LFT contract
- LFT prices fell below raw material costs and the decision was taken to withdraw from COVID-19 antigen test manufacture
- Disposed of plant and equipment at a loss of £0.2m (before costs) and the remaining 14 years of the lease at a gain of £0.2m. Transferred the dilapidations obligation to the buyer
- Transferred 93 employees under TUPE – no redundancies
- Retained CD4 manufacturing capacity and sub-contract workforce until 31 December 2022
- Immediately lowered the operating costs of CD4 business from £0.5m to £0.3m a month



Sale of VISITECT® CD4 business – Completed 31 July 2022

- FY22 revenue of £1.0m, order intake £2.0m
- Production challenges and further investment required to scale up and relocate manufacturing
- Under the Transitional Services Agreement with Accubio, although much reduced, the monthly cash funding requirement of CD4 was £0.3m
- The Alva site was available to ODX only until 31 December 2022
- After a competitive process, the CD4 business was sold to Accubio for a consideration of up to £6.3m including £1.3m for fixed assets and inventory and £4.0m for the intellectual property
- The £4.0m is contingent on the successful outcome of a clinical study in Kenya. We are confident around the outcome of this study as the test is already commercialised in over 29 countries and has been independently verified in several external studies



Discontinued operations – Global Health

- COVID-19 and CD4 operations were discontinued in the year
- Alva site traded at a gross loss
- Loss before tax arising from discontinued operations £9.9m (2021: £2.5m)

	2022 £'000	2021 £'000
Revenue	3,789	1,919
Cost of sales	(4,773)	(1,456)
Gross (loss)/profit	(984)	463
Administration costs	(4,832)	(2,964)
Selling and marketing costs	(640)	(499)
Other income	8	147
Operating loss before exceptional items	(6,448)	(2,853)
Exceptional items	(1,028)	-
Operating loss after exceptional items	(7,476)	(2,853)
Finance costs	(159)	(140)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(1,915)	-
Loss before taxation	(9,550)	(2,993)
Tax benefit/(expense):		
Related to pre-tax loss from the ordinary activities for the period	(738)	504
Related to measurement to fair value less costs to sell	364	-
Loss for the year from discontinued activities	(9,924)	(2,489)

Exceptional items - Global Health

Exceptional items summary

	2022 £'000	2021 £'000
Loss on disposal of the Alva site	(399)	—
Gain on disposal of Alva lease	158	—
Impairment of Global Health inventory	(723)	—
Bad debt provision	(190)	—
Reduction in Omega Diagnostics GmbH settlement*	126	—
Total	(1,028)	—

- Net loss on the Alva sale was £0.2 (after costs)
- Impairment of inventory relates to COVID-19 stocks
- Bad debt provision includes £150k for Abingdon Health
- An impairment loss of £1.9m has also been recognised, on the remeasurement of assets to fair value, less costs to sell
 - CD4 loss on disposal £0.6m (after costs of £0.4m)
 - Impairment of Global Health R&D £0.7m
 - Impairment of COVID-19 plant and equipment £0.6m

Assets held for sale

	Held for sale £'000
CD4 assets	
Intangible assets	3,784
Property, plant and equipment	395
Right of use assets	9
Inventories	664
CD4 assets held for sale	4,852
Non CD4 assets	
Intangible assets	-
Property, plant and equipment	143
Non CD4 assets held for sale	143
Total assets held for sale	4,995
CD4 liabilities	
Lease liabilities	(10)
Non CD4 liabilities	
Borrowings	(465)
Total liabilities directly associated with the assets held for sale	(475)
Net assets directly associated with the disposal group	4,520

- Includes CD4 assets stated at their recoverable amount based on the contract
- Assumes full recovery of the £4.0m of deferred consideration
- Non-CD4 assets and liabilities relate to COVID-19 plant and equipment no longer used in the business
- Recoverable amounts are stated net of transaction costs of £0.4m





DHSC dispute

- The £2.5m dispute is still ongoing
- The Company's position remains unchanged – no repayment is required
- DHSC have yet to provide responses to questions posed in February concerning their failure to licence the necessary IP
- Mediation has been proposed, conditional on receiving the information requested from DHSC
- Potential to recover substantial damages from DHSC based on additional costs incurred
- Deferred income of £2.5m remains in the balance sheet, but is not forecast to be cash paid
- Government-funded equipment has yet to be removed from site

Future growth strategy



Our Brands

 <p>Food Detective[®] PROFESSIONAL</p>	<ul style="list-style-type: none">• Near-patient test in clinic setting• 59 common foods analysed• Rapid results in just 40 minutes
 <p>FoodPrint[®]</p>	<ul style="list-style-type: none">• Used by over 140 laboratories worldwide• Innovative, colorimetric microarray-based ELISA technology• Analyses IgG antibodies to over 200 different foods with vegan and vegetarian panels available
 <p>FoodELISA</p>	<ul style="list-style-type: none">• Wide range of panels available• Semi quantitative results reported with easy to interpret results
 <p>CNSLab</p>	<p>Our UK Lab offers FoodPrint testing and other functional tests to healthcare practitioners in the functional/integrative medicine sector</p>

Our Markets

- Health and Wellness, Functional Medicine, Sports Medicine

Customer Base



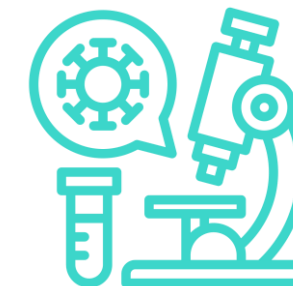
Government hospitals



Reference
laboratories



Nutritionists



Naturopaths

Our tests are typically used where there are chronic long term inflammatory conditions that are linked to poor gut health or by healthcare consumers wishing to maintain health and wellness

Our Key Strengths

- Global network and brand reach in over 70 countries
- Grown revenues from £2.3m in 2009 to £8.6m in FY 2022
- Cash generative – EBITDA circa £1.4m in FY2022
- Gross margins circa 60%
- Significant opportunities for growth

Organic

- Maintain leadership position throughout programme of scientific education and building awareness
- Embracing digital technology that will empower our customers to reach and engage their patients more easily.
- Marketing activities focused on digital technologies / channels and brand awareness

Geography

- On-going channel optimisation addressing vacant markets and distributor upskilling
- China represents an increasingly health-conscious market and excellent opportunity for Food Detective
- The US represents a health-conscious and mature personal health and well-being market, making FoodPrint the most appropriate platform to be initially introduced into the market

Menu

- Complementary tests to sell to our markets
- Microbiome and Nutrigenomics
- Expand our menu of tests that will allow our customers to more comprehensively manage their patients, thus enabling our vision of delivering personalised nutrition for better health

US Growth Opportunity



- The US Food Sensitivity testing market is estimated to be the largest and most established market in the world. It is the leading market for functional medicine laboratory testing with an increasing demand for personalised medicine
- We consider the best route to market would be replicate our CNS Laboratory service direct to health care professionals and ultimately direct to consumer
- Differentiation to established players by taking our tried and tested approach with education and support, coupled with our digital strategy, to engage and empower our customers
- Total US Market Size estimated to be \$50-\$100m. Potential to realise £3-6m p.a. in 3-5 years



CNSLab

Replicate Existing Successful Model

CNS Lab – go more direct
Engage health care professionals (HCP)
Established brand and approach

Differentiate

Differentiate through digital platform – HCP and patient engagement

Differentiate through science and education



Deploy Technology

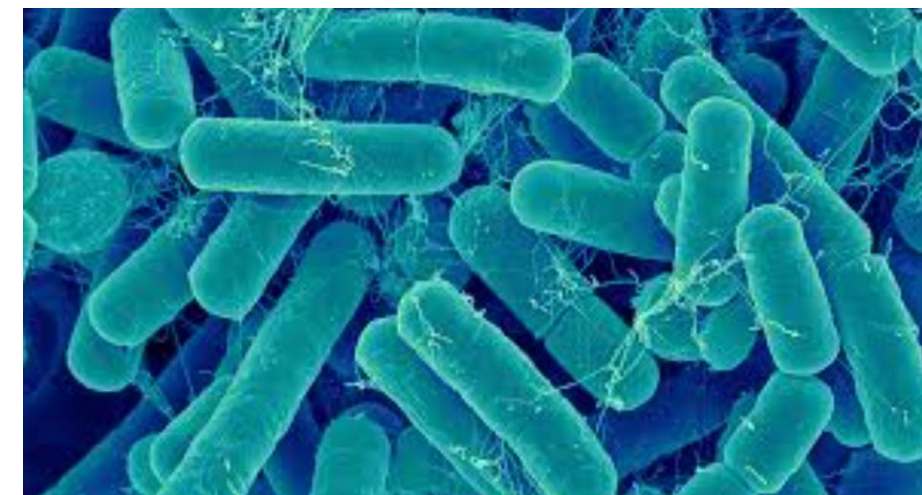
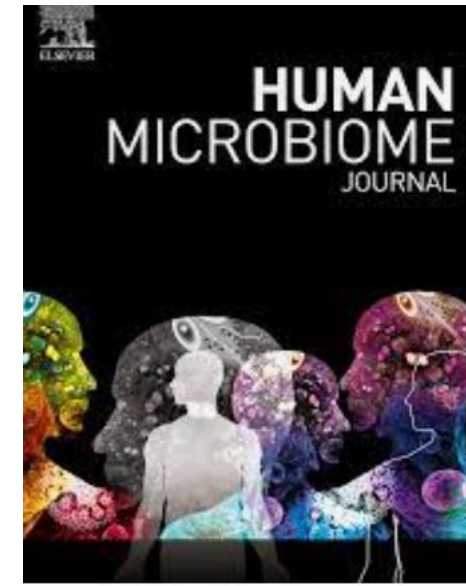
Unique FoodPrint USP allowing for easier sample collection and transport

Extend menu offering for a more comprehensive gut profile



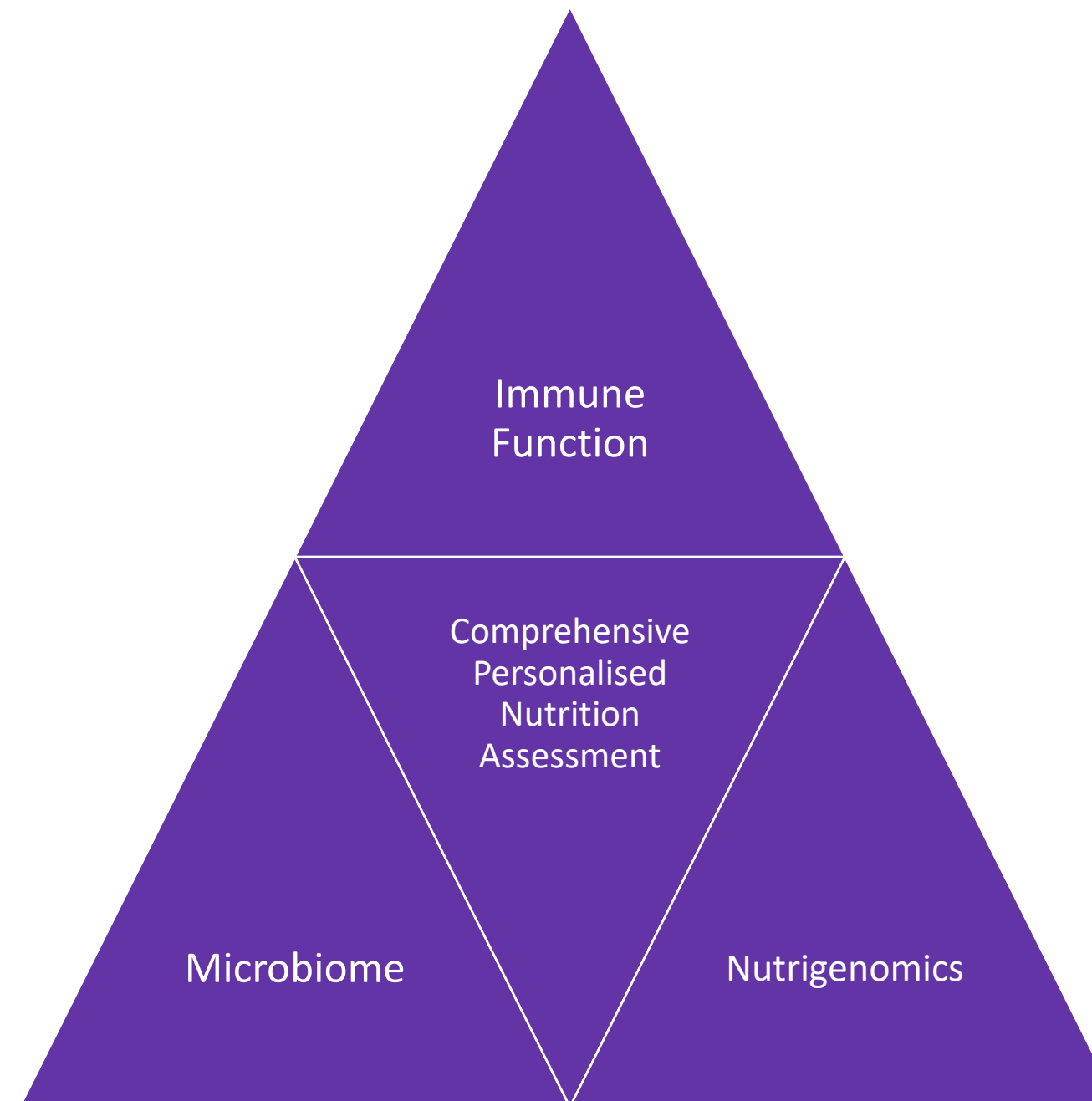
Product Menu Expansion - Microbiome

- Build a wider menu of complementary gut health tests and sell through well-established channels from a market leading position
- Understanding the microbiome is the new frontier of understanding chronic inflammatory conditions arising from poor gut health
- Over recent years the gut microbiome in particular has been linked to a plethora of diseases and conditions, from diabetes to anxiety to obesity
- Growing demand from our existing customer base



Product Menu Expansion - Nutrigenomics

- Defined as the relationship between nutrients, diet, and gene expression, Nutrigenomics allows the healthcare professional to understand genetic strengths and weaknesses making specific improvements that help achieve better health
- Combining all three provide a compelling value proposition in the testing industry
- Menu expansion from microbiome and nutrigenomics combined has the potential to realise £2-5m p.a. in 3-5 years



Operational efficiency and laying a new foundation



- New Facility: Ely, Cambridgeshire, UK
- Anticipated to take possession in by the end of 2022, subject to resolution of outstanding issues with the developer
- 35,000 ft² of state-of-the-art manufacturing space to accommodate future expansion
- Temperature and humidity control for key manufacturing processes
- Will be compliant to ISO 13485 MDSAP, and ISO 9001

Restructured Business

Exited Alva site to reduce the cost base

Ceased COVID-19 test development

Fundraise £2.2m

Divested CD4 business

Focus on Health and Nutrition

Focus on existing global leadership position in the emerging and fast growing personalised nutrition segment

Differentiate through science and education

Become a cash generative and profitable business

Grow from foundation

Target new geographies – U.S.

Build out China

Add menu to existing well established sales channels in Microbiome and Nutrigenomics

Differentiate through digital platform – HCP and patient engagement

Questions

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