25 November 2021

OMEGA DIAGNOSTICS GROUP PLC
("Omega" or the "Company" or the "Group")

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Omega (AIM: ODX), the specialist medical diagnostics company focused on industry-leading Global Health (CD4 and COVID-19) and Health and Nutrition products, announces its unaudited interim results for the six months ended 30 September 2021.

Omega has substantial growth opportunities in the areas of Food Sensitivity, CD4 testing for the management of people living with HIV, and COVID-19 antibody and antigen testing and provides high quality in-vitro diagnostics products for use in hospitals, clinics, laboratories and healthcare practices in over 75 countries.

Financial Highlights:

- Revenue increased by 81% to £5.73m (H1 '20: £3.16m)
  - *Health and Nutrition sales up 62% to £4.17m (H1 '20: £2.58m)*
  - *Global Health revenue up 170% to £1.56m (H1 '20: £0.58m)*
- Gross margin decreased to 34.4% (H1 '20: 42.9%) caused by increased direct labour in anticipation of DHSC COVID-19 contract work
- Statutory loss for the period of £2.75m (H1 '20: £0.28m)
- Adjusted EBITDA loss[1] of £2.45m (H1 '20: loss of £1.29m)
- Adjusted loss per share[1] of 1.3p (H1 '20: 0.1p)
- Cash balance of £4.7m (H1 '20: £7.0m)

[1]Adjusted for exceptional items, amortisation of intangible assets and share based payment charges

Operational Highlights:

- Health & Nutrition sales returned to pre-COVID levels
  - *Growth from China and US expected to materialise from FY '23, with planned re-location to purpose-built Ely facility to support demand*
- Excellent clinical performance and feedback for CD4 test, growing momentum for implementation programme
  - *Production scale up underway, targeting 4-6m test per annum in 3-5 years*
- Shift in focus for COVID-19 test manufacture to support commercial market opportunity
  - *No test to manufacture under DHSC contract, but remain in dialogue for commercial use of equipment*
  - *DAM Health contract signed for professional COVID-19 antigen test, and good progress with other potential collaborations*
  - *Self-test CE-Marking making good progress, with other regulatory approval processes ongoing*

Regarding outlook, Simon Douglas, Chairman, said: *"We are confident that revenues in the second half will see significant growth in Health & Nutrition and for our CD4 product, and while COVID-19 revenues remain extremely difficult to predict they are expected to be more reliant on commercial partnerships than UK Government supply opportunities and are impacted by the timing of pending regulatory approvals being granted. Overall, we expect to see an improved sales performance across the Group for the full year and to see losses reduced in the second half."*

Investor presentation:
Colin King, CEO, and Chris Lea, CFO, will provide a live presentation relating to the Interim Results via the Investor Meet Company platform today at 4:30pm GMT. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and add to meet OMEGA DIAGNOSTICS GROUP PLC via: https://www.investormeetcompany.com/omega-diagnostics-group-plc/register-investor

The investor presentation will be available later this morning on the Company website: https://www.omegadx.com/Investor-Relations/Corporate-Information

The information communicated in this announcement is inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Chairman's Statement

The first half performance reflects the improving trading position of the Company and early signs of positive momentum for a business that we believe is still well-positioned for growth. After a strong Q4 last year we are now seeing our **Health and Nutrition Division** return to pre-pandemic revenue levels and we remain focused on substantial growth opportunities in both China and the US. We are also very optimistic about the prospects for our **Global Health Division**, which has delivered good revenue growth across both CD4 and COVID-19 testing.

We are seeing growing momentum for the use of the VISITECT® CD4 Advanced Disease test to improve the outcome of patients living with HIV. However, we have been very disappointed with the lack of progress and commitment from the Department of Health and Social Care ("DHSC") to place an order for the manufacture of Covid 19 lateral flow tests ("LFT"). However, in response to this we have established a partnership with Lansdown Strategic Capital to increase our focus on commercial opportunities for COVID-19 testing outside of UK Government. We have recently concluded a partnership agreement with DAM Health Limited, one of the UK's leading COVID-19 testing laboratories, which will see them use our test exclusively in their labs throughout the UK and Europe and we expect further commercial supply opportunities to follow once regulatory approvals have been obtained.

Whilst we still remain confident that we are well-positioned for future growth, we recognise that many investors will be disappointed in the lack of progress with the DHSC, and uncertainty about their future utilisation of our manufacturing capacity. This is a disappointment that we share. Our contract with DHSC dated 12 February 2021 was made up of two phases. Phase one was a scale up phase, where DHSC furnished the Company with equipment and working capital in order to support its scale up activities whilst DHSC selected and licenced the chosen test to the Company. Unfortunately, DHSC did not provide the Company with a licence to manufacture an approved test and as such Phase 2 of the contract, covering manufacturing, has not been activated and therefore no orders have been placed. We now have confirmation that the contract expired at the end of Phase 1, although both parties remain in dialogue and DHSC are still providing us with access to their Government-funded equipment to provide the infrastructure to grow our businesses.

We are, however, encouraged by broader emerging commercial opportunities and believe that with future regulatory approvals, including for home-use, the VISITECT® COVID-19 Antigen test will be a commercial success.

Financial performance

Revenue from operations increased by 81% to £5.73m (H1 '20: £3.16m) with significant improvements in both Health and Nutrition and Global Health segments.

Health and Nutrition revenue increased by 62% to £4.17m over the prior period (H1 '20: £2.58m) and as highlighted in our AGM statement this division has largely recovered from the impact of the coronavirus pandemic. Sales of FoodPrint® in particular have returned to pre-pandemic levels, increasing by 191% to £2.76m (H1 '20: £0.95m). Although, in contrast, sales of Food Detective® decreased by 41% to £0.75m (H1 '20: £1.26m). The results for the first half of the prior year included significant stocking orders of £701k from our Chinese partner, which have not been repeated so far in the current financial year.

Global Health revenue increased by 170% to £1.56m (H1 '20: £0.58m), with the vast majority coming from COVID-19 revenues which were up 136% to £1.29m. Whilst CD4 revenues increased from £12k to £167k in the period, we expect further increases in CD4 sales in the second half, with a firm order book of over £0.8m at the end of October. Most of the COVID-19 revenues in the first half of FY'22 are related to commercial contracts for the manufacture/assembly of antigen test kits.

Gross profit from operations increased to £1.97m (H1 '20: £1.36m) however the gross margin percentage decreased by 8.5 percentage points to 34.4% (H1 '20: 42.9%). The reduction in margin principally reflects the ramp up and training of direct labour resource in anticipation of COVID-19 contract work for the DHSC, against which a £2.0m cash contribution was received during the period. This cash contribution has been held on the balance sheet and was to be released to revenue in line with shipments to the DHSC. Some low margin short-term commercial work to sub-contract manufacture COVID-19 test kits was undertaken in the interim, which has also impacted our overall margins.

Administrative overheads increased by £1.8m to £4.35m (H1 ‘20: £2.55m) caused in the main by the transition of the Global Health business in readiness for volume manufacture of COVID-19 tests and the scaling up of CD4 manufacturing capability. This resulted in the engagement of a number of consultants and the costs associated with the recruitment and incremental payroll relating to both short-term contract and permanent new hires. Depreciation of new equipment and the amortisation of CD4 development costs, which commenced in January 2021, also contributed to the increase in administrative overheads. Selling and marketing costs increased by £0.3m to £0.81m (H1 ‘20: £0.51m) due to increased marketing resource and development of a digital solution within our Health & Nutrition business which will help increase direct customer engagement.

The adjusted loss before tax from continuing operations was in line with management’s expectation at £3.14m (statutory loss before tax of £3.56m and adding back exceptional items, amortisation of intangibles and share-based payment charges totaling £0.42m) (2020: adjusted loss before tax of £1.70m).

The tax credit in the year of £0.68m relates to a deferred tax asset comprising losses carried forward. The tax credit of £1.52m in the prior period relates to losses carried forward and recognition of future tax deductions related to the increased likelihood of employees exercising share options due to the significant increase in the share price in that period.

We ended the period with a net cash balance of £4.70m (31 March 2021: £5.80m), in part due to the receipt of £2.0m from the DHSC in relation to pre-production expenses incurred. The Company is still owed £628k by Abingdon Health which fell due prior to February 2021 and which is expected to be received in full once Abingdon have concluded a settlement with DHSC.

Business summary update

The Group reports results via two divisions:

- **Health and Nutrition** (formerly known as Food Intolerance) which promotes a personalised approach to health. Using advanced diagnostic technology, we enable healthcare professionals and their patients to identify lifestyle and dietary changes that can significantly improve their long-term health and well-being.

- **Global Health** (covering CD4 testing for HIV and COVID-19) which takes a proactive approach to disease management. We have a unique CD4 test for people living with HIV in low and middle-income countries, and high accuracy COVID-19 LFTs and volume manufacturing capability for rapid antigen tests.

Health and Nutrition

Health and Nutrition revenue increased by 62% to £4.17m compared to H1 2020 and this division has largely recovered from the impact of the coronavirus pandemic. Growth during the period was driven by sales in North America, Europe and the Middle East. Our team have worked incredibly hard to educate consumers and drive awareness of nutritional therapy through our Health and Nutrition Academy webinars. These webinars have also focused on naturopathic therapies, functional medicine and sports nutrition and we remain confident that this will drive demand once markets fully open back up. Comparative sales from China in the first half of the year are skewed by a large stocking order placed the previous year with our partner utilising that inventory in 2021 to seed the market. Sales ramp up in China is taking a little longer than expected due to local market conditions and the challenges that face any company looking to introduce a relatively new concept into the Chinese consumer market.

During the period, the Health and Nutrition team have begun marketing in a number of new and significant European territories, but the focus on future growth outside of China remains with the US, and as travel opens up with the US our team has more opportunities to engage with key partners in this market.

In readiness for a future growth in this division we expect to relocate this division to a new purpose-built facility in Ely in early 2022, which will improve operational efficiencies and provide the additional capacity required to support this division's growth expectations.

Global Health

CD4

The long-term prospects remain undiminished for the roll-out of our VISITECT® CD4 Advanced Disease test, the first and the world's only instrument-free point of care test for monitoring CD4 levels, essential for the effective management of advanced HIV. Whilst we recorded only £167k of CD4 sales in the first half we are encouraged by the progress being made to implement CD4 testing in high HIV prevalence countries, and that at the end of October we had confirmed orders worth over £0.8m which are expected to be delivered in the second half.

Key to this success of this roll-out is our relationship with the Clinton Health Access Initiative ("CHAI") and Unitaid, as they implement the WHO Advanced HIV Disease strategy in a number of low and middle-income countries. Following successful WHO prequalification last year, we are seeing a growing number of implementation partners engage through CHAI's Early Access Market Vehicle. We continue to receive excellent feedback from external clinical studies and evaluations in key countries and can see positive indications that long term funders are supporting the roll out of the Advanced Disease initiative. We are now cleared to supply into 21 countries, up from the 15 country approvals we announced in our year end results in July.

We have been pleased to have several purchase orders via the procurement and logistics partners of the US President's Emergency Plan for AIDS Relief ("PEPFAR"), the world's largest funding contributor to the global HIV response. Our VISITECT® CD4 Advanced Disease test has been included in the PEPFAR 2022 Country and Regional Operational Plan Guidance for all PEPFAR-supported countries. Our test has again been highlighted as a semi-quantitative lateral flow assay which is inexpensive and able to differentiate CD4 value above and below 200 cells/mm^3 and should be given highest priority.

We continue to make progress with Médecins San Frontier ("MSF") which has a six-country deployment plan for the introduction of CD4 Advanced Disease in Africa, and we have commenced product deliveries and are currently supporting implementation with in-country training of MSF health workers.

We also continue to engage with a number of UN operation agencies to roll out our CD4 test and the ongoing momentum and progress made in implementation means that we remain confident that the market potential for our product reaching 4m to 6m tests a year within the next three to five years, an opportunity to generate between £12m and £18m sales annually.

COVID-19

In the first half, we recorded COVID-19 revenues of £1.29m, up 136% on the same period last year. Despite this we are disappointed in the lack of progress with the DHSC, and the ongoing uncertainty about their future utilisation of our manufacturing capacity.

To date we have not had confirmation from the DHSC regarding which test they require us to manufacture and our dialogues with the third parties introduced to us by the DHSC have not resulted in a commercial agreement to manufacture tests that will be procured by the UK Government.

Accordingly, Omega has increased its efforts in securing manufacturing and supply agreements for the commercial sale of COVID-19 LFTs, and the first fruits of these efforts has been the securing of our partnership agreement with DAM Health Limited ("DAM Health"), a leader in fit-to-fly testing and one of the UK's fastest growing and largest in-clinic and mobile test providers for COVID-19. We have already received an initial purchase order to supply VISITECT® professional use COVID-19 antigen tests worth over £750,000. As our tests are rolled out to DAM Health's over 100 clinics throughout the UK and Europe, we expect to receive further stocking orders, particularly as DAM Health clinics currently undertake around 200,000 in-clinic COVID tests every month.

We remain encouraged by other emerging commercial opportunities for our VISITECT® COVID-19 Antigen test that will be unlocked following future regulatory approvals.

In terms of regulatory approvals, we are still waiting for the UK Health Security Agency to clear the backlog of desktop reviews for products seeking approval under the new Medical Devices (Coronavirus Test Device Approvals) (Amendment) Regulations 2021 ("CTDA"). All documentation and required information has been submitted in relation to the VISITECT® professional-use COVID-19 Antigen test and we believe we are now simply waiting to receive confirmation. Whilst we expect this will be a quick process, we have no visibility on how long this will take.

We are making good progress in the process of seeking CE marking for self-test use for our COVID-19 Antigen test. We have now responded to all questions and requests for further information from our European Notified Body, who will now continue to advance their review of our submission. However, the timeline for this approval remains uncertain.

Our technology partner, Mologic Ltd, continue to progress their submission to the US Food and Drug Administration for Emergency Use Authorisation, for use of the professional-use test under both the VISITECT® and Global Access Diagnostics brands. We understand additional US trial data is required in support of this submission and that this is in process.

A feasibility study as to the process, timelines and likely high-level costs associated with the submission of the VISITECT® COVID self-test for FDA approval is currently underway, although the cost of gaining approval may be prohibitive.

We note that our lead partner in the Rapid Test Consortium, Abingdon Health, remains optimistic about the opportunities for AbC-19™ and should this lead to material orders, we would keep shareholders updated.

Board Changes

In July, we announced that Kieron Harbinson, Group Finance Director, would retire from the Board after 19 years of service with the Company. I would like to reiterate the Board's thanks Kieron for his many years of service and wish him all the best.

I am also very pleased to welcome Chris Lea, ACA, who joined us as Chief Financial Officer on 30 August 2021. Chris is a qualified chartered accountant with experience in public market companies, having most recently held the position of Chief Financial Officer at IndigoVision Group plc (AIM: IND) and Finance Director at Superglass Holdings PLC (AIM: SPGH).

Strategy & Outlook

Our strategy is to continue to drive growth across our business divisions. In Health & Nutrition we remain excited about the future growth prospects of the Chinese market, as well as the opportunity to target our products into the US. We also expect to widen our portfolio with the introduction of new offerings in the area of microbiome and nutrigenomics and we look forward to updating shareholders on this in the new year.

The momentum behind the implementation of CD4 testing continues to grow and we expect to ramp-up our CD4 manufacturing volumes to meet growing demand. We already have a significant increase in order book in H2 and we expect to see that continue to grow. Alongside the ramp-up in production, we expect to optimise our manufacturing process which will allow us to improve margins. We also continue to evaluate complementary testing opportunities that would allow us to widen our portfolio of global health tests to include products that would sit alongside our CD4 test.

Given the outlook on COVID manufacture for the UK Government is uncertain, it is prudent for us to re-size this aspect of our LFT manufacturing capacity to meet current and future demand. Accordingly, we would expect to have a lower cost base in the second half of the year. This will not, however, alter our focus on fulfilling the requirements of our testing partners in the commercial market and we believe more opportunities will arise following regulatory approvals for the VISITECT® COVID-19 Antigen test, particular for the home-test use.

We will remain focused on improving operational efficiencies and sensibly controlling costs. We are confident that revenues in the second half will see significant growth in Health and Nutrition and for our CD4 product, and while COVID-19 revenues remain extremely difficult to predict, they are expected to be more reliant on commercial partnerships than UK Government supply opportunities and are impacted by the timing of pending regulatory approvals being granted. Overall, we believe that we will see an improved sales performance across the Group for the full year and to see losses reduced in the second half.

I would like to thank our shareholders for their ongoing support and we look forward to providing further updates as we move through the remainder of the financial year.

Simon Douglas
Non-Executive Chairman

Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2021

		6 month period ended 30 September 2021			6 month period ended 30 September 2020		
	Notes	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Revenue	3	**5,727**	**-**	**5,727**	3,162	-	3,162
Cost of sales		**(3,759)**	**-**	**(3,759)**	(1,805)	-	(1,805)
Gross profit		**1,968**	**-**	**1,968**	1,357	-	1,357
Administration costs		**(4,347)**	**-**	**(4,347)**	(2,554)	-	(2,554)
Selling and marketing costs		**(814)**	**-**	**(814)**	(505)	-	(505)
Other operating income		**4**	**-**	**4**	6	-	6
Operating loss before exceptional items		**(3,189)**	**-**	**(3,189)**	(1,696)	-	(1,696)
Exceptional items:							
Impairment of intangible asset - development costs		**(80)**	**-**	**(80)**	**-**	**-**	**-**
Cessation of COVID-19 antibody test - direct material written off		**(196)**	**-**	**(196)**	**-**	**-**	**-**
Over provision against Omega GmbH liabilities		**-**	**126**	**126**	-	-	-
Total exceptional items		**(276)**	**126**	**(150)**			
Operating (loss)/profit after exceptional items		**(3,465)**	**126**	**(3,339)**	(1,696)	-	(1,696)
Finance costs	4	**(92)**	**-**	**(92)**	(105)	-	(105)
Finance revenue – interest receivable		**-**	**-**	**-**	-	-	-
(Loss)/profit before taxation		**(3,557)**	**126**	**(3,431)**	(1,801)	-	(1,801)
Tax credit/(charge)	5	**682**	**-**	**682**	1,517	-	1,517
(Loss)/profit for the period		**(2,875)**	**126**	**(2,749)**	(284)	-	(284)
Other comprehensive income to be reclassified to profit and loss in subsequent periods							
Exchange differences on translation of foreign operations		**(18)**	**-**	**(18)**	(3)	-	(3)
Recycling of translation reserve		**38**	**-**	**38**	-	-	-
Tax charge	5	**(7)**	**-**	**(7)**	1	-	1
Other comprehensive income for the period		**13**	**-**	**13**	(2)	-	(2)
Total comprehensive income for the period		**(2,862)**	**126**	**(2,736)**	(286)	-	(286)
Earnings Per Share (EPS)							
Basic EPS on profit for the period	6			**(1.4p)**			(0.2p)
Diluted EPS on profit for the period				**(1.4p)**			(0.2p)

Adjusted Loss before Taxation

		6 month period ended 30 September 2021			6 month period ended 30 September 2020		
		Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
		£'000	***£'000***	***£'000***	***£'000***	***£'000***	***£'000***
(Loss)/profit before taxation		**(3,557)**	**126**	**(3,431)**	(1,801)	-	(1,801)
Exceptional items		**276**	**(126)**	**150**	-	-	-
Amortisation of intangible assets		**52**	**-**	**52**	66	-	66
Share-based payment charges		**90**	**-**	**90**	30	-	30
Adjusted loss before taxation		**(3,139)**	**-**	**(3,139)**	(1,705)	-	(1,705)
Earnings Per Share (EPS)							
Basic Adjusted EPS on profit for the period	6			**(1.3p)**			(0.1p)
Diluted Adjusted EPS on profit for the period				**(1.3p)**			(0.1p)

Consolidated Balance Sheet
as at 30 September 2021

	At 30 Sept 2021 £'000	At 31 March 2021 £'000	At 30 Sept 2020 £'000
Assets			
Non-current assets			
Intangibles	**10,196**	10,182	9,967
Property, plant and equipment	**3,524**	3,078	2,070
Right of use assets	**1,692**	1,801	1,658
Deferred taxation	**3,954**	3,688	3,207
Total non-current assets	**19,366**	18,749	16,902
Current assets			
Inventories	**2,232**	2,238	1,360
Trade and other receivables	**2,606**	4,175	3,235
Cash and cash equivalents	**4,698**	5,827	6,951
Total current assets	**9,536**	12,240	11,546
Total assets	**28,902**	30,989	28,448
Equity and liabilities			
Issued capital	**33,373**	33,316	32,601
Retained earnings	**(12,774)**	(9,601)	(8,617)
Other reserves	**(21)**	(41)	(40)
Total equity	**20,578**	23,674	23,944
Liabilities			
Non-current liabilities			
Hire purchase and asset finance obligations	**628**	712	101
Lease liabilities	**1,670**	1,752	1,661
Corporation tax	**13**	0	0
Deferred taxation	**1,200**	1,153	1,049
Deferred income	**143**	148	151
Total non-current liabilities	**3,654**	3,765	2,962
Current liabilities			
Trade and other payables	**1,816**	2,672	1,399
Deferred income	**2,500**	500	-
Hire purchase and asset finance obligations	**186**	206	66
Lease liabilities	**168**	172	77
Total current liabilities	**4,670**	3,550	1,542
Total liabilities	**8,324**	7,315	4,504
Total equity and liabilities	**28,902**	30,989	28,448

Consolidated Statement of Changes in Equity for the six months ended 30 September 2021

	Issued Capital £'000	Retained earnings £'000	Translation reserve £'000	Total £'000
Balance at 1 April 2020	**22,010**	**(8,364)**	**(38)**	**13,608**
Issue of share capital for cash consideration	11,142	-	-	11,142
Expenses in connection with share issue	(551)	-	-	(551)
Loss for the period to 30 September 2020	-	(284)	-	(284)
Other comprehensive income-net exchange adjustments	-	-	(3)	(3)
Other comprehensive income-tax charge	-	1	-	1
Total comprehensive income	-	(283)	(3)	(286)
Share-based payments	-	30	-	30
Balance at 30 September 2020	**32,601**	**(8,617)**	**(41)**	**23,943**
Issue of share capital for cash consideration	715	-	-	715
Loss for the period to 31 March 2021	-	(1,820)	-	(1,820)
Other comprehensive income-tax credit	-	1	-	1
Total comprehensive income	-	(1,819)	-	(1,819)
Share-based payments	-	240	-	240
Deferred tax credit related to share based payments		595		
Balance at 1 April 2021	**33,316**	**(9,601)**	**(41)**	**23,674**
Issue of share capital for cash consideration	57	-	-	57
Loss for the period to 30 September 2021	-	(2,749)	-	(2,749)
Other comprehensive income-net exchange adjustments	-	-	(18)	(18)
Other comprehensive income-net exchange adjustments recycled		(38)	38	
Other comprehensive income-tax charge	-	(7)	-	(7)
Total comprehensive income	-	(2,794)	20	(2,774)
Share-based payments	-	90	-	90
Deferred tax credit related to share based payments	-	(469)	-	(469)
Balance at 30 September 2021	**33,373**	**(12,774)**	**(21)**	**20,578**

Consolidated Cash Flow Statement

	6 months to 30 Sept 2021 £'000	6 months to 30 Sept 2020 £'000
Cash flows generated from operations		
(Loss)/profit for the period after exceptional items	**(2,749)**	(284)
Adjustments for:		
Taxation	**(682)**	(1,517)
Gain on disposal of fixed assets	**(4)**	-
Exceptional items	**150**	-
Finance costs	**92**	105
Operating (loss)/profit before exceptional items	**(3,193)**	(1,696)
(Increase)/decrease in trade and other receivables	**1,569**	52
(Increase)/decrease in inventories	**6**	(191)
Increase/(decrease) in trade and other payables	**(856)**	(201)
Depreciation	**301**	195
Amortisation of intangible assets	**352**	184
Impairment charge	**80**	-
Movements in grants	**(5)**	(4)
Taxation received	**-**	-
Gain on sale of fixed assets	**4**	-
Exceptional items	**(150)**	-
Share-based payments	**90**	30
Net cash flow from operating activities	**(1,802)**	(1,631)
Investing activities		
Purchase of property, plant and equipment	**(673)**	(780)
Purchase of intangible assets	**(411)**	(439)
Net cash used in investing activities	**(1,084)**	(1,219)
Financing activities		
Finance costs	**(20)**	(36)
Finance costs - ROU interest under IFRS16	**(72)**	(69)
Proceeds from issue of share capital	**57**	11,142
Expenses of share issue	**-**	(551)
Contribution from DHSC	**2,000**	-
Repayment of overdraft facility	**-**	(565)
Payment of hire purchase and asset finance obligations	**(104)**	(50)
Lease payments	**(86)**	(67)
Net cash from financing activities	**1,775**	9,804
Net Increase/(decrease) in cash and cash equivalents	**(1,111)**	6,954
Effects of exchange rate movements	**(18)**	(3)
Cash and cash equivalents at beginning of period	**5,827**	-
Cash and cash equivalents at end of period	**4,698**	6,951

Notes to the Interim Report
for the six months ended 30 September 2021

1. BASIS OF PREPARATION

For the purpose of preparing the March 2021 annual financial statements the Directors used IFRS as adopted by the EU and in accordance with the AIM Rules issued by the London Stock Exchange. In preparing these interim financial statements, the accounting policies used in the Group's Annual Report for the year ended 31 March 2021 have been applied consistently. The Group has not applied IAS 34 *Interim Financial Reporting*, which is not mandatory for AIM companies, in the preparation of these interim financial statements.

The interim financial statements are unaudited. The information shown in the consolidated balance sheet as at 30 September 2021 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2021 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2021 Annual Report was unqualified and did not contain a statement under sections 498 (2) and 498 (3) of Chapter 3, Part 16 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 24 November 2021.

2. SEGMENT INFORMATION

For management purposes, from 1 April 2020 the Group became organised into two operating divisions: Health and Nutrition, and Global Health and Other.

The Health and Nutrition division specialises in the research, development and production of kits to aid the detection of immune reactions to food. It also provides clinical analysis to the general public, clinics and health professionals as well as supplying the consumer Food Detective test.

The Global Health and Other division specialises in the research, development, production and marketing of kits to aid the diagnosis of infectious diseases, including COVID-19.

Corporate consists of centralised corporate costs which are not allocated across the business divisions.

Inter segment transfers or transactions are entered into under the normal commercial conditions that would be available to unrelated third parties.

Business segment information - Continuing operations

September 2021	Health and Nutrition £'000	Global health Other £'000	Corporate £'000	Group £'000
Statutory presentation				
Revenue	4,298	1,560	-	5,858
Inter-segment revenue	(131)	-	-	(131)
Total revenue	**4,167**	**1,560**	**-**	**5,727**
Cost of sales	(1,486)	(2,273)	-	(3,759)
Gross profit	2,681	(713)	-	1,968
Operating costs	(1,851)	(2,500)	(806)	(5,157)
Operating loss before exceptional items	830	(3,213)	(806)	(3,189)
Share-based payment charges	-	-	90	90
Depreciation	96	205	-	301
Amortisation - non add back	170	130	-	300
Amortisation	49	3	-	52
EBITDA	**1,145**	**(2,875)**	**(716)**	**(2,446)**
Share-based payment charges	-	-	(90)	(90)
Depreciation	(96)	(205)	-	(301)
Amortisation - non add back	(170)	(130)	-	(300)
Amortisation	(49)	(3)	-	(52)
Exceptional items	(129)	(147)	-	(276)
Net finance costs	(12)	(80)	-	(92)
Loss before tax	689	(3,440)	(806)	(3,557)
Share-based payment charges	-	-	90	90
Exceptional items	129	147	-	276
Amortisation	49	3	-	52
Adjusted loss before tax	**867**	**(3,290)**	**(716)**	**(3,139)**

September 2020	Health and Nutrition £'000	Global health Other £'000	Corporate £'000	Group £'000
Statutory presentation				
Revenue	2,592	631	-	3,223
Inter-segment revenue	(9)	(52)	-	(61)
Total revenue	**2,583**	**579**	**-**	**3,162**
Cost of sales	(1,127)	(679)	-	(1,806)
Gross profit	1,456	(100)	-	1,356
Operating costs	(1,283)	(1,230)	(539)	(3,052)
Operating loss before exceptional items	173	(1,330)	(539)	(1,696)
Share-based payment charges	-	-	30	30
Depreciation	66	130	-	196
Amortisation - non add back	0	118	-	118
Amortisation	59	7	-	66
EBITDA	**298**	**(1,075)**	**(509)**	**(1,286)**
Share-based payment charges	-	-	(30)	(30)
Depreciation	(66)	(130)	-	(196)
Amortisation - non add back	0	(118)	-	(118)
Amortisation	(59)	(7)	-	(66)
Net finance costs	(7)	(70)	(28)	(105)
Loss before tax	166	(1,400)	(567)	(1,801)
Share-based payment charges	-	-	30	30
Amortisation	59	7	-	66
Adjusted loss before tax	**225**	**(1,393)**	**(537)**	**(1,705)**

3. REVENUES – Continuing operations

	6 months to 30 Sept 2021 ***£'000***	**6 months to 30 Sept 2020** ***£'000***
UK	1,438	637
Europe	1,516	730
North America	1,082	22
South/Central America	242	39
India	281	152
Asia and Far East	593	1,359
Africa and Middle East	575	223
	5,727	3,162

4. FINANCE COSTS

	6 months to 30 Sept 2021 *£'000*	6 months to 30 Sept 2020 *£'000*
Interest payable	1	29
Finance charges payable under HP and lease arrangements	91	76
	92	105

5. TAX CREDIT

	6 months to 30 Sept 2021 *£'000*	6 months to 30 Sept 2020 *£'000*
Tax credited in the income statement		
Current tax - current year	(13)	-
Current tax - prior year adjustment	-	-
Deferred tax - current year	695	1,517
Deferred tax - prior year adjustment	-	-
	682	1,517
Tax relating to items charged to other comprehensive income		
Deferred tax on net exchange adjustments	(7)	1
	(7)	1
Reconciliation of total tax credit		
Factors affecting the tax credit for the period:		
Loss taxable	**(3,431)**	**(1,801)**
Effective rate of taxation	19%	19%
Loss before tax multiplied by the effective rate of tax	(652)	(342)
Effects of:		
Expenses not deductible for tax purposes and permanent differences	25	(1,125)
Research and development tax credits	(30)	(43)
Adjustment for future tax deductions on notional gains on unexercised employee share options	(17)	-
Tax under/(over) provided in prior years	(13)	-
Adjustment due to different overseas tax rate	5	(7)
Tax credit for the period	(682)	(1,517)

6. EARNINGS PER SHARE

	6 months to 30 Sept 2021 £'000	6 months to 30 Sept 2020 £'000
Loss attributable to equity holders of the Group	**(2,749)**	(284)

	2021 Number	2020 Number
Weighted average number of shares	**182,269,637**	163,213,506
Share options	**6,814,300**	6,328,218
Diluted weighted average number of shares	**189,083,937**	169,541,724

The number of shares in issue at the period end was 182,632,404. Basic earnings per share are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Diluting events are excluded from the calculation when the average market price of ordinary shares is lower than the exercise price.

Adjusted Earnings per share on loss for the period

The Group presents adjusted earnings per share which is calculated by taking adjusted loss before taxation and adding the tax credit in order to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

	6 months to 30 Sept 2021 £'000	6 months to 30 Sept 2020 £'000
Adjusted loss before taxation	**(3,139)**	(1,705)
Tax credit	**682**	1,517
Adjusted loss attributable to equity holders of the Group	(2,457)	(188)

7. INTANGIBLES

	Goodwill	Licences/ software	Technology assets	Customer relationships	Development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2020	3,017	1,633	1,975	100	13,699	20,424
Additions internally generated	-	2	-	-	472	474
Disposals	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-
At 30 September 2020	3,017	1,635	1,975	100	14,171	20,898
Additions	-	-	-	-	201	201
Additions internally generated	-	-	-	-	255	255
Currency translation	-	(2)	-	-	-	(2)
At 31 March 2021	3,017	1,633	1,975	100	14,627	21,352
Additions	-	-	-	-	78	78
Additions internally generated	-	-	-	-	368	368
Disposals	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-
At 30 September 2021	**3,017**	**1,633**	**1,975**	**100**	**15,073**	**21,798**
Accumulated amortisation						
At 1 April 2020	-	1,578	1,243	100	7,827	10,748
Amortisation charge in the year	-	16	49	-	118	183
Currency translation	-	-	-	-	-	-
At 30 September 2020	-	1,594	1,292	100	7,945	10,931
Amortisation charge in the year	-	4	49	-	188	241
Impairment charge	-	-	-	-	-	-
Currency translation	-	(2)	-	-	-	(2)
At 31 March 2021	-	1,596	1,341	100	8,133	11,170
Amortisation charge in the year	-	3	49	-	300	352
Impairment charge	-	-	-	-	80	80
Currency translation	-	-	-	-	-	-
At 30 September 2021	**-**	**1,599**	**1,390**	**100**	**8,513**	**11,602**
Net book value						
30-Sep-21	**3,017**	**34**	**585**	**0**	**6,560**	**10,196**
31-Mar-21	3,017	37	634	0	6,494	10,182
30-Sep-20	3,017	41	683	0	6,226	9,967

8. FIXED ASSETS

	Right of use use assets £'000	Leasehold improvements £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 April 2020	1,976	992	3,865	6,833
Additions	14	158	622	794
Disposals	-	-	-	-
Currency translation	-	-	-	-
At 30 September 2020	1,990	1,150	4,487	7,627
Additions	268	260	925	1,453
Disposals	-	-	-	-
Currency translation	-	-	(1)	(1)
At 31 March 2021	2,258	1,410	5,411	9,079
Additions	0	256	417	673
Disposals	-	-	-	-
Currency translation	-	-	-	-
At 30 September 2021	**2,258**	**1,666**	**5,828**	**9,752**
Accumulated depreciation				
At 1 April 2020	245	638	2,786	3,669
Charge in the year	88	13	129	230
Disposals	-	-	-	-
Currency translation	-	-	-	-
At 30 September 2020	333	651	2,915	3,899
Charge in the year	125	28	148	301
Disposals	-	-	-	-
Currency translation	-	-	-	-
At 31 March 2021	458	679	3,063	4,200
Charge in the year	109	42	185	336
Currency translation	-	-	-	-
At 30 September 2021	**567**	**721**	**3,248**	**4,536**
Net book value				
30-Sep-21	**1,691**	**945**	**2,580**	**5,216**
31-Mar-21	1,800	731	2,348	4,879
30-Sep-20	1,657	499	1,572	3,728