



10 October 2018

**Omega Diagnostics Group PLC
("Omega" or the "Company")**

Trading Update and Notice of Interim Results

Omega (AIM: ODX), the medical diagnostics company focused on allergy, food intolerance and infectious disease, announces the following trading update for the six months to 30 September 2018, in advance of releasing its interim results on Monday 3 December 2018.

Financial update

Turnover is in line with expectations and expected to be £5.23m and reflects the decision to discontinue two loss making businesses. This decision was taken following the strategic review and consequently revenues declined by 27% on a headline basis (2017: £7.11m) and by 7% on a like-for-like basis as outlined below. There is expected to be a minimal currency effect between revenues for this half-year period compared to the prior period. Profit before tax (before share-based payments and amortisation of intangible assets) is in line with expectation at the half-year stage.

Segmental revenues are expected to be as follows:

	6 month revenue 30 Sept 2018	6 month revenue to 30 Sept 2017	6 month revenue to 31 March 2018	% increase Sept 2018 v Sept 2017	% increase Sept 2018 v Mar 2018
Food Intolerance	£3.84m	£4.13m	£3.42m	- 7%	+ 12%
Allergy/Autoimmune	£0.79m	£1.67m	£1.64m	-53%	- 52%
Infectious Disease/Other	£0.60m	£1.31m	£1.38m	- 54%	- 56%
TOTAL	£5.23m	£7.11m	£6.44m	- 27%	- 19%

Segmental revenues for the current financial year include a contribution for the first quarter only for Omega GmbH and the Company's infectious disease business unit, following the decision to close or sell these business units respectively. To provide a like-for-like comparison therefore, revenues for these business units have been excluded from Q2 in the prior half-year as follows:

	Revenue to 30 September 2018	Revenue to 30 September 2017	% increase
Food Intolerance	£3.84m	£4.13m	- 7%
Allergy/Autoimmune	£0.79m	£0.82m	- 4%
Infectious Disease/Other	£0.60m	£0.66m	- 8%
TOTAL	£5.23m	£5.61m	- 7%

Strategic update

As previously announced on 28 June 2018, the Company successfully concluded the sale of its infectious disease business unit (excluding VISITECT® CD4) to Lab 21 Healthcare Ltd for a total price of £2.175m, of which £1.8m was received at completion, with £0.375m receivable over the coming months.

As also announced on 6 August 2018, the Company took the decision to close its German business unit and the Pune manufacturing facility in India.

These decisions have enabled the Company to focus more resource on key areas of the business most likely to deliver growth as follows:

VISITECT® CD4

The Company has made good progress with commercialisation activities for the 350 cut-off test. Distributor agreements have now been signed for Nigeria, Zimbabwe, Ghana, Zambia, Kenya, Colombia, Indonesia, Guatemala and Cameroon with agreements under negotiation in a further five countries. Product registration proceedings have also been initiated in 12 countries to date.

The VISITECT® CD4 Advanced Disease test (utilising a lower 200 cut-off) continues to progress well against plan. Since the last update on 6 August 2018, the Company has manufactured two validation batches which have been sent to testing sites in Zimbabwe and India and the final QC release results are awaited within the next few weeks.

Food Intolerance

Our Food Intolerance Division has reversed the decline in revenue when compared to the immediately prior six months (£3.84m vs £3.42m). This is due to a combination of factors including increasing demand and the timing of customer orders and we anticipate that full year on year growth will be maintained based on current initiatives.

Allergy

We continue to make good progress regarding developing new allergens to run on the IDS instrument. IDS themselves are making good progress with their commercialisation activities and, as recently announced, have placed their first purchase order which we plan to ship by the end of this month.

Outlook

The decisions we took earlier in the year, as part of our strategic review, are enabling us to focus on our key growth areas. Trading in the second half of this year is expected to improve over the first half and we remain confident, both in the improved outlook for the business overall and the potential to realise value for shareholders over the shorter term.

Colin King, CEO of Omega commented: *"We are making great progress implementing our revised strategic direction and the narrower focus is already starting to deliver in our three key areas. Overall, we believe the actions we are taking will ultimately deliver shareholder value both in the short and long term."*

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

Contacts:

Omega Diagnostics Group PLC

David Evans, Chairman

Colin King, Chief Executive

Kieron Harbinson, Group Finance Director

Tel: 01259 763 030

www.omegadiagnostics.com

finnCap Ltd

Geoff Nash/James Thompson (Corporate Finance)

Camille Gochez (Corporate Broking)

Tel: 020 7220 0500

Walbrook PR Limited

Paul McManus

Lianne Cawthorne

Tel: 020 7933 8780 or omega@walbrookpr.com

Mob: 07980 541 893

Mob: 07584 391 303