9 June 2020

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

Trading update

Omega (AIM: ODX), the medical diagnostics company focused on CD4, infectious diseases and food intolerance testing, provides the following update to shareholders covering:

- **The signing of a longer-term Supply Agreement with Mologic Ltd ("Mologic")**
- **First orders for the COVID-19 ELISA test and ongoing registration / evaluation activities**
- **The signing of an additional Material Transfer Agreement ("MTA") with Mologic**
- **Trading update**
- **Notice of Results**

Supply Agreement with Mologic
The Company announces it has signed a Supply Agreement with Mologic Ltd ("Mologic") under which Mologic will supply raw materials to enable Omega to manufacture its CE-Marked ELISA[1] antibody test. The antibody test will play a key part in identifying people that have antibodies demonstrating previous infection with COVID-19. The Agreement is for an initial period of three years and renewable annually thereafter.

First COVID-19 ELISA test orders
The Company also announces it has shipped its first order for the COVID-19 ELISA test to Senegal worth c. £0.1m and that it is currently engaged in registration and evaluation activities in 15 countries which is expected to lead to orders in the near future.

New MTA covering additional Mologic COVID-19 tests
In addition, Omega announces it has widened its collaboration with Mologic by signing another Material Transfer Agreement ("MTA"), providing the Company with access to raw materials and know-how to manufacture the following additional Mologic COVID-19 tests:

- an ELISA antigen test that determines the concentration of COVID-19 (SARS-CoV-2) antigens in human blood, saliva or swab extract sample thereby identifying an individual with an active COVID-19 infection
- a lateral flow antigen test product that determines the concentration of COVID-19 (SARS-CoV-2) antigens in a human blood, saliva, or swab extract sample also used to identify an individual with an infection
- a lateral flow antibody test product that determines the concentration of human antibodies in a human blood sample specifically targeting the COVID-19 (SARS-CoV-2) antigens

Omega intends to CE-Mark the above additional tests under the MTA, after which both parties will work together to commercialise the tests under an expanded Supply Agreement arrangement. The MTA will enable Omega to broaden its growing portfolio of COVID-19 tests, using both its Scottish and English manufacturing sites more effectively, and will ensure it can meet the different needs of global healthcare systems that require both antibody tests (denoting previous infection) and antigen tests (denoting current infection) in a range of formats.

Omega is now involved with five opportunities relating to COVID-19 testing, of which four utilise Mologic's technology platforms, including the COVID-19 ELISA which the Company is already shipping. Two are ELISA (lab based) tests, both antigen and antibody, and three are lateral flow tests. Two of the lateral flow tests are in collaboration with Mologic and the third is an antibody test with UK Rapid Test Consortium as originally announced on 9 April 2020.

Trading update

Further to the announcement on 2 April 2020, the Company now expects EBITDA for the year ended 31 March 2020 to be in a range of £850k to £900k, which is slightly ahead of market expectations. This figure excludes the exceptional impairment charges referred to below.

Allergy

After additional review and evaluation of the use of development resources to deliver the highest potential financial returns, the Board has made the decision to stop on-going development of the allergy product range. Omega will continue to manufacture the 69 CE-Marked allergens developed to date, to meet the ongoing commercial demand from the Company's partner, Immunodiagnostic Systems ("IDS"). The decision to stop development was taken after a careful and thorough analysis of the best use of the Company's capital, people and assets, in the context of changes in underlying assumptions for the allergy business and has resulted in a decision to focus development activities in other areas.

Due to the changes in underlying assumptions, the Board has concluded that, in accordance with IAS36, it is prudent to impair fully the carrying value of intangible assets for the allergy business. Accordingly, an impairment charge of £8.73 million will be recognised in the financial year ended 31 March 2020, comprised of capitalised development costs of £7.25 million and a licence fee paid to IDS of £1.48 million. The impairment charge of £8.73 million will be offset by a credit to the profit and loss account of £1.02 million, being a proportionate amount of deferred income, previously recognised on the balance sheet relating to the Scottish Enterprise grant.

All the amounts will be shown as exceptional items on the profit and loss account for the year ended 31 March 2020. The impairment charges/credits are non-cash items and the Board estimates the decision will save annual development costs of approximately £0.8m before the effect of grant income.

Food intolerance

The Board has continued to monitor demand for the Company's food intolerance products through its distribution network and estimates that revenues in Q1 of the new financial year (year to 31 March 2021) are likely to be approximately 70% of Q1 revenue for the prior year. The Board believes this is a short-term impact due to the COVID-19 pandemic and that the longer term prospects for this business unit remain strong, particularly with the progress made with Food Detective® in China. The Board also believes any short-term impact on revenue for the year ended 31 March 2021 will be offset by revenue gains from the opportunities that exist with the COVID-19 ELISA antibody test outlined above.

VISITECT® CD4 Advanced Disease

Further to the announcement on 28 April 2020, Omega confirms it has received the initial order for 100,000 tests in accordance with the supply agreement with Clinton Health Access Initiative Inc. ("CHAI"). The Company now awaits confirmation of demand from eligible countries under the agreement and will provide an update in due course.

Notice of Results

The Company confirms that it will release its financial results for the year ended 31 March 2020 in mid-July.

Colin King, CEO of Omega commented: "*We are pleased that Omega has been able to widen its collaboration with Mologic which should help to expand the number of COVID-19 tests that can be run both in centralised and decentralised settings, which, along with our VISTECT® CD4 tests, strengthens our position in Global Health.*

"The decision to stop the development of further allergens has not been taken lightly but we recognise we can achieve better returns from directing our development efforts in other areas and we look forward to providing further updates as the opportunities we have in front of us deliver on their undoubted potential."

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

[1] ELISA (Enzyme Linked Immuno-Sorbent Assay) tests are one of the most tested and proven laboratory technologies used by the global diagnostic industry and remain the principle reference point from which rapid diagnostics are coordinated, especially serological tests, including tests for COVID-19.

Contacts:

Omega Diagnostics Group PLC Tel: 01259 763 030
Bill Rhodes, Interim Non-Executive Chairman www.omegadiagnostics.com
Colin King, Chief Executive
Kieron Harbinson, Group Finance Director

finnCap Ltd Tel: 020 7220 0500
Geoff Nash/Hannah Boros (Corporate Finance)
Camille Gochez (ECM)

Walbrook PR Limited Tel: 020 7933 8780 or omega@walbrookpr.com
Paul McManus Mob: 07980 541 893
Lianne Cawthorne Mob: 07584 391 303