

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU) NO.596/2014, WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").

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

Trading update

Omega (AIM: ODX), the specialist medical diagnostics company focused on promoting a personalised and functional approach to health and nutrition, provides a trading update which reflects lower than expected revenue, significant back-end phasing of orders, but a stronger opening order book for FY24.

Whilst demand for Omega's food sensitivity tests remains strong and the order book continues to grow, the Company has faced a several headwinds that have impacted the ability to fulfill orders ahead of 31 March 2023. Whilst the current order book is £2.5 million and further orders are expected, a number of orders will move into FY24.

With the later than anticipated receipt of customer orders, it has now become apparent that the Company has insufficient manufacturing capacity in the Littleport site to meet anticipated demand over the remainder of the current financial year, primarily due to the availability of machine time for FoodPrint® manufacture and COVID-related staff absences within key production functions. Potential stockbuilding opportunities have been limited in recent months, given the shelf life required by customers and the close management of working capital ahead of the receipt of the £4 million of CD4 deferred consideration.

The current and forecasted orders are no longer able to be fulfilled before the year end, but will contribute to a stronger than expected opening order book for FY24. This gives much improved visibility into FY24 which is still expected to be a year of significant revenue growth and a return to positive EBITDA. Full year revenues from the Health and Nutrition business are now expected to be in the range of £7.5-£8.0 million for the year ended 31 March 2023. This will result in an EBITDA loss from continuing operations of c. £1.0 million. Year-end cash levels are expected to remain substantial and will be c. £5.0 million, a level that is more than adequate to allow Omega to deliver against its growth strategy from existing funds.

The Company has identified a number of opportunities to improve operational efficiency and manufacturing capability in the near term. The Board also believe that longer term technology investment in production equipment associated with FoodPrint® slide manufacture will improve capacity, flexibility and overall production yield and that a capital investment programme of c. £1m can be delivered from existing funds and deliver improvements once executed next year.

Finally, further to the recent announcement regarding US expansion, the Company confirms it is now pursuing a partnership route into the territory as a first step. Working via an established partner network in the territory will ensure Omega can benefit from established commercial infrastructure and relationships whilst helping to gain a better understanding of the market before committing the necessary capital and revenue expenditure to set up its own laboratory as originally envisaged.

Jag Grewal, Chief Executive Officer of Omega, said: "Whilst we have experienced production challenges in recent months, this is being addressed and we still are extremely confident of growing our service revenue and our installed base. Introducing our new digital platform and signing new partnership agreements will help expand our footprint and drive revenue growth. We are now bringing forward our plans to improve our manufacturing capabilities in order to meet expected demand. We remain confident in our decision to focus our growth plans on the US market as it remains the largest market for food sensitivity testing globally. We still

growth plans on the US market, as it remains the largest market for food sensitivity testing globally. We can fully expect FY24 to be a year of significant revenue growth and a return to positive EBITDA."

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About Omega Diagnostics Group PLC

Omega (AIM: ODX) is a specialist medical diagnostics company focused on promoting a personalised and functional approach to health and nutrition.

www.omegadx.com

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