

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 the following trading update for the year ended 31 March 2023.

The Company expects to report revenues of £7.5m from continuing operations (2022: £8.6m), in line with the expected revenue range provided in the 18 January 2023 update. With lower-than-expected production yields and higher raw material costs, the EBITDA loss for FY23 is now expected to be approximately £2.0m. The year-end cash position was £5.0m, in-line with expectations, and more than adequate to allow Omega to deliver against its growth strategy from existing funds.

Demand for Omega's food sensitivity tests moving into the new financial year remains strong with an opening order book for FY24 of £2.4m, and the Company is taking action to improve operational efficiency and manufacturing capability in the near term. Chartwell Consulting, a global specialist in delivering operational performance improvements in healthcare manufacturing, was appointed in February and over the coming months will continue to work with Omega to deliver additional production yield improvements whilst reducing the FoodPrint® slide manufacturing cycle time. Whilst the Company remains confident that FY24 will be a year of significant revenue growth and an improving EBITDA performance, guidance on FY24 is under review until the results of the production improvement plan are known.

The Company also confirms that the new, purpose-built facility in Ely, Cambridgeshire, has yet to be delivered by the landlord and the Company has rejected the terms of the landlord's current proposal for delivery of the site. The Company continues to consider all of its options in this regard. As previously confirmed, an agreement has been reached to extend the Littleport lease to June 2025, thus providing sufficient time to resolve the outstanding issues and facilitate an orderly relocation in due course.

The Group remains in an ongoing dispute with the Department of Health and Social Care regarding the potential repayment of a pre-production payment of £2.5m under a contract to manufacture COVID-19 lateral flow tests and a substantial counterclaim made in favour of the Company. A formal mediation meeting is scheduled to take place in late April, although it is not clear what the outcome of this meeting will be or whether the outcome will be disclosable due to confidentiality arrangements.

In March 2023, Omega successfully launched its *MyHealthTracker*, a health and wellbeing tool designed to be used alongside a trained healthcare professional, allowing the patient to receive laboratory test results direct to their smartphone thereby helping the patient make personalised changes to their diet for optimal health. Access is by invitation only from an approved healthcare professional with its main goal to elevate patient care by way of a more personalised approach to health and wellbeing.

Following the two heads of term agreements already announced on 26 October 2022 and 14 November 2022 respectively, the bespoke microbiome and nutrigenomic test reports are on track to be finalised for launch early in Q2 FY24. For a modest initial outlay, these tests have the potential to generate more than £0.5m in additional revenue in the year ending 31 March 2024.

Omega remains confident about growth plans on the US market, the largest market for food sensitively testing globally, and further to the announcement of the first US purchase order ("PO") on 6 January 2023, the Company has now received an additional PO for its FoodPrint® system from a second US customer.

**Jag Grewal, Chief Executive Officer of Omega, said:***"As an international diagnostic testing business that is passionate about improving lives around the world by accurately informing health decisions, the recent launch of our MyHealthTracker app helps our reach and connects us to our customers globally while giving us a better understanding of gut health data and trends. It also empowers people, via a healthcare practitioner, to become more proactive about managing their health straight from their phone, which we believe is an important step forward."*

*"Whilst it's disappointing to have challenges regarding the lower-than-expected production yields, we have taken swift action to bring in consultants to oversee a number of process improvements and are confident the actions being taken will deliver a material improvement in yield in the near term. The demand for our food sensitivity tests continues to be strong and the order book is holding up well. We remain excited and confident for our prospects in the US as we continue to build a wider menu of complementary gut health tests to sell via our established channels and we look forward to updating shareholders at our results in July."*

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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](http://www.omegadx.com)

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