

21 April 2016

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

Trading Update and Notice of Results

Omega (AIM: ODX), the medical diagnostics company focused on allergy, food intolerance and infectious disease, announces that results for the year to 31 March 2016 will be in line with market expectations. Revenues for the year are expected to be £12.7m and adjusted profit before tax* will be in the range of £1.2m to £1.3m.

Financial update

Revenue is expected to be £12.74m, 6% ahead of last year in constant currency terms and 5% ahead of last year's result (31 March 2015: £12.11m) on an actual basis.

Segmental revenues are expected to be as follows:

	Revenue to 31 March 2016	Revenue to 31 March 2015	% increase
Food Intolerance	£7.06m	£5.95m	+ 19%
Allergy/Autoimmune	£3.16m	£3.61m	- 13%
Infectious Disease/Other	£2.52m	£2.55m	- 1%
TOTAL	£12.74m	£12.11m	+ 5%

Allergy development - IDS-iSYS automation update

We have now reached our target and have optimised 41 allergens which will be included in our initial launch panel. All of our Allersys® reagents have been evaluated on the IDS iSYS® analyser to demonstrate performance that matches with the market-leading product. We are currently in the process of building up inventory levels to support a market launch in the near future. Our scientific team, in conjunction with our contracted partner, is already working on delivering menu expansion beyond the initial launch panel.

External evaluations have now been completed in Spain, Italy and France, with a fourth ongoing evaluation in Germany. Of the three completed beta studies to date, we have now tested over 1,000 patient samples with 18 different allergens from our Allersys® reagent range and results are in line with our internal claim support work. These external evaluations, in conjunction with our claim support work, will enable us, as outlined in November last year, to CE mark all 40 allergens during the early part of the current financial year in readiness for launch.

Infectious Disease

CD4 update

On 30 November 2015, we reported both an ambient temperature effect ("ATE") and a potential solution to the ATE. We subsequently determined the root cause of the ATE and have since demonstrated that we are able to manufacture prototype tests for a laboratory setting which are capable of operating between 15°C and 32°C without exhibiting ATE. We are now working with design engineering companies to incorporate a one-step solution that eliminates the ATE to enable the test ultimately to be used in the field.

We have also established that finger-prick and venous blood give equivalent results and we believe the difference we observed during the Indian study, on samples tested in two separate laboratories in 2014, was due to the, then unidentified, ATE.

Beyond this, we are also working on extending the test performance to demonstrate that it will operate up to 35°C. On being able to achieve this level of performance on a consistent basis, we will continue with our planned programme of verification and validation work.

Outlook

Our Food Intolerance business achieved its objective of double digit growth in revenue which is now the seventh consecutive year we have achieved this. Elsewhere, our allergy business in Germany continued to decline as we saw a reduction in buying levels due to increased competition for reimbursement with tests for other conditions. The market in Germany is also being squeezed from the automated laboratory test sector but in this regard our outlook is brighter as we gear up to launch our first Allersys® range of tests. We have maintained our established customer base and are also expanding the panels of tests available on our Allergodip® dipstick test. This, alongside introducing a mobile phone App that allows quantification of the test result, will provide us with a broader product offering.

We have continued to move forward with our Visitect® CD4 development programme. In demonstrating that we can make tests which are free of the ambient temperature effect, we have shifted the needle from being a biological challenge to an engineering challenge and we remain confident that a solution will be found in this regard. We cannot rule out that we will face further issues as we progress but we very much feel that we continue to move in the right direction.

We mentioned in November 2015 that we were reviewing our business to plan for its growth over the next three to five years and we are pleased that we have identified a clear organic growth strategy across all our segments. We shall continue to focus the business on driving revenue growth and creating greater shareholder value.

Omega will announce its financial results for the year ended 31 March 2016 on Monday 27 June 2016.

Andrew Shepherd, Chief Executive of the Company, commented: *"It is pleasing to see continued growth in the Food Intolerance business and also to reach the launch stage of the new Allersys® allergy tests after a great amount of effort by the R&D team. While there are still challenges ahead, we remain confident that we will continue to see positive progress with the Visitect® CD4 test development and together with the growth strategy as outlined we remain optimistic for a bright future for the Company."*

* before acquisition costs, share based payments, IFRS-related discount unwinds and amortisation of intangible assets

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