

23 October 2016

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 2017, in advance of releasing its interim results on Thursday 14 December 2017.

Financial update

Turnover is expected to be £7.11m, in line with last year's first half in constant currency terms and 4% ahead of last year's result (2016: £6.83m) on an actual basis. This reflects the weakening of sterling in the post-Brexit environment. Profit before tax (before share-based payments, IFRS-related discount unwinds and amortisation of intangible assets) is in line with expectation at the half-year stage.

Segmental revenues are expected to be as follows:

	Revenue to 30 September 2017	Revenue to 30 September 2016	% increase	% increase CER*
Food Intolerance	£4.13m	£3.84m	+ 8%	+ 4%
Allergy/Autoimmune	£1.67m	£1.76m	- 5%	- 11%
Infectious Disease/Other	£1.31m	£1.23m	+ 7%	+ 5%
TOTAL	£7.11m	£6.83m	+ 4%	+ 1%

* Constant exchange rate ("CER") numbers have been restated to remove the impact of foreign exchange movements in the year by restating the performance for the six months ended 30 September 2017 using the exchange rates during the prior period.

Core business update

Food Intolerance

We continue to see strong growth in North America with our microarray-based FoodPrint® test. As noted below, North America is a priority market for us and we are focusing resource more closely into this market. With regard to the self-test version of Food Detective®, the Company was able to successfully complete the actions requested of it by Lloyds Register Quality Assurance ("LRQA") within the agreed timescale and we are awaiting LRQA's final review outcome.

Allergy/Autoimmune

Revenue in the first half of the current financial year declined by 8.5% in our German domestic business, compared to the previous period. A significant amount of above-average rainfall in July was a contributing factor but we are expecting a better performance in the second half of the year. The reduction in euro-denominated revenue was mitigated by the weakening in the pound/euro exchange rate compared to last year.

Infectious Disease

This segment has started to benefit from initial sales of the VISITECT® range of Malaria tests manufactured at the facility in Pune, India. A small percentage increase in revenue in actual terms has been positively impacted by the weaker position of sterling, as noted above.

Accelerated growth strategy

As announced in July, the Company was successful in raising funds from two sources:

- £3.3 million (before expenses) from a placing and open offer
- €0.8 million (before rent deposit) from the sale and leaseback of its German manufacturing facility

These funds were raised to enable the Company to exploit opportunities which it has identified to accelerate growth.

Increase FoodPrint® traction in the USA

As reported on 16 October 2017, the Company has signed a supply agreement with a new partner in the US, bringing the number of partners that the Company is currently working with in the US to three. We continue to believe that the US market represents a key driver for growth in what is the world's largest market for food sensitivity testing.

Allersys® product range

We remain on plan to increase the number of CE-Marked allergens that have been developed for use on the IDS instrument to 50-60 allergens by the end of the current financial year. We have had two positive meetings recently with Immunodiagnosics Systems ("IDS") and, subject to finalising a global distribution agreement, we are now confident that we can commercialise our range of products within the current financial year on terms which are beneficial to both parties.

Visitect® CD4

We have successfully manufactured bulk components for three validation batches of Visitect®CD4 which have passed QC testing at external sites and have now been assembled into devices. The first two batches of assembled devices have passed final QC testing with external testing. A third batch will begin external testing imminently. We have started using these validation batches to verify performance and this programme of testing is about 50% complete. External performance evaluations are underway at two UK hospital sites and we expect these to be completed within the next few weeks. The external performance evaluation in India is now complete and the data is being fully analysed with performance as expected on an initial review of the data. We therefore remain confident in our ability to CE-Mark the test before the end of the calendar year.

Outlook

We have made significant progress on a number of key objectives including:

- progress with validating and verifying the performance of Visitect® CD4
- increasing our presence in the North American market for food sensitivity testing
- progress with the commercialisation plan for our panel of Allersys® reagents
- increasing traction with Visitect® Malaria sales

Trading in the first half of the current financial year was in line with the comparative period in the prior year on a like-for-like basis. We expect a stronger second half and the outturn for the year remains dependent on one or more of the objectives outlined above delivering a material contribution to our results.

David Evans, Chairman of Omega commented: *"We continue to advance as a Company in all our key areas and the outlook over the next twelve to eighteen months remains positive - the shorter term is dominated by factors not wholly within our control. We continue to be enthusiastic about prospects for Omega and we hope to announce further progress later in the year."*

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

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