



**3 August 2022**

***The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.***

**OMEGA DIAGNOSTICS GROUP PLC**  
(“Omega” or the “Company” or the “Group”)

**Completion of Sale of the CD4 Business**  
**Notice of Results & Annual General Meeting**

Further to the announcement on 4 July 2022, Omega (AIM: ODX), the specialist medical diagnostics company focused on industry-leading Health & Nutrition products, confirms it has completed the disposal of its loss-making CD4 business to Accubio Limited (“Accubio”), a wholly-owned subsidiary of Zhejiang Orient Gene Biotech Co. Ltd (“Orient Gene”) for an aggregate cash consideration of up to £6.1m, before costs. Accubio acquired the Company’s Alva manufacturing site on 7 March 2022 and has been providing manufacturing services to Omega for its CD4 business since that date.

As previously indicated the Board believes that the CD4 business, which manufactures and supplies VISITECT® CD4 and VISITECT® CD4 Advanced Disease tests (the “CD4 Business”), would be more successful under new ownership, with an owner that has a greater capacity to invest in production capabilities and future product development. The EBITDA loss attributable to the Global Health division, of which CD4 was a major component, for the year ended 31 March 2021 was £2.3m and for the six months to 30 September 2021 the associated EBITDA loss was £2.9m. The Company has not historically allocated the shared facility costs, direct labour and overheads associated with the Alva site between its COVID-19 operations and its CD4 Business. Subsequent to the sale of the Alva site in March, the CD4 Business has been operating at a loss of approximately £0.3m per month.

Under the terms of the sale the Company will receive an immediate cash payment of approximately £1.1m for fixed assets and inventory, representing the book values of these assets. Furthermore, the Company expects to receive up to an additional £4.0m for the intellectual property, which includes capitalised research and development expenditure, contingent on the successful outcome of an ongoing clinical study in Kenya which is anticipated to conclude in the Autumn. It should be noted that the VISITECT® CD4 test is already fully commercialised, being distributed in 29 countries and the performance of the test has previously been independently verified in several external clinical studies. Accordingly, the Board is confident as to the outcome of the clinical study in Kenya. Omega will also receive a royalty of 4% of Accubio’s future CD4 revenues for the period to 31 December 2026, capped at £1.0m in aggregate.

Having announced the withdrawal from COVID-19 in March 2022, the disposal of the CD4 Business means the Group no longer operates in the Global Health market. As such, the Global Health division will be treated as a discontinued activity in the financial statements for the year ended 31 March 2022, with the CD4 assets, including the associated research and development assets, being written down to their recoverable amount and reclassified as assets held for re-sale. The disposal leaves the Group well-funded and solely focused on its profitable and cash generative Health and Nutrition division, where there are significant opportunities for investment to accelerate growth. The Group intends to retain the net proceeds of the sale for use as general working capital in support of the planned expansion.

**Notice of Preliminary Results**

The Company will issue its financial results for the year ended 31 March 2022 on Thursday 18 August 2022.

**Notice of Annual General Meeting**

The Company will hold its Annual General Meeting on 5 October 2022 at 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL at 11:00am.

**Jag Grewal, CEO of Omega, commented:** *"We are extremely pleased to complete the sale of our CD4 business to Accubio, with whom we have worked closely with since securing the sale of our Alva site in March this year. The disposal of our CD4 business completes the first phase of our turnaround plan, addressing the unsustainable cost base in Scotland and divesting our loss-making businesses. The sale now allows us to focus all our efforts on the profitable and cash generative Health and Nutrition division, maintaining our leadership position and targeting organic growth through geographical expansion, a broadening of our product offering and embracing digital technologies. We have refocused our business and are dedicated to delivering personalised nutrition diagnostics going forward."*

#### **Contacts:**

##### **Omega Diagnostics Group PLC**

Jag Grewal, Chief Executive Officer

Chris Lea, Chief Financial Officer

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

via Walbrook PR

##### **finnCap Ltd**

Geoff Nash/Edward Whiley/George Dollemore (Corporate Finance)

Alice Lane/ Harriet Ward (ECM)

Tel: 020 7220 0500

##### **Walbrook PR Limited**

Paul McManus

Lianne Applegarth

Sam Allen

Tel: 020 7933 8780 or [omega@walbrookpr.com](mailto:omega@walbrookpr.com)

Mob: 07980 541 893

Mob: 07584 391 303

Mob: 07502 558 258

#### **About Omega Diagnostics Group PLC**

Omega manufactures and distributes high quality in-vitro diagnostic products for use in hospitals, clinics, laboratories and healthcare practitioners in over 70 countries and is now focused on the health and nutrition sector.

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