



6 May 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")

Placing of 50,000,000 New Ordinary Shares and Warrants

Subscription of 2,125,000 New Ordinary Shares

Open Offer of up to 49,860,515 New Ordinary Shares

and

Notice of General Meeting

Omega (AIM: ODX), the specialist medical diagnostics company focused on industry-leading Health & Nutrition and Global Health products, announces that it has raised gross proceeds of £2.0 million via a Placing of 50,000,000 new ordinary shares of 4.0 pence each ("**New Ordinary Shares**") and 90,000,000 warrants to subscribe for Ordinary shares (the "**Warrants**") to institutional investors at an issue price of 4.0 pence per New Ordinary Share (the "**Issue Price**").

Furthermore, the Company also announces a conditional raise of up to an additional £2.0 million by the issue of up to 49,860,515 New Ordinary Shares pursuant to an Open Offer to Qualifying Shareholders at the Issue Price ("**Open Offer**"), and a subscription by Directors for an additional 2,125,000 New Ordinary Shares (the "**Subscription**", together with the Placing and Open Offer the "**Fundraising**"). Subscribers to the Placing have also been issued Warrants to subscribe for one additional Ordinary Share at the Issue Price in the ratio of nine Warrants for every five Placing Shares issued to those subscribers. The Issue Price is the same as the closing mid-market price of 4.0 pence on 5 May 2022, being the latest practicable date prior to this announcement.

The net proceeds of the Fundraising, amounting to between £1.75 million and £7.25 million, depending on the take up of the Open Offer and the number of Warrants exercised, will be used to initially fund the CD4 business to divestment and provide additional working capital.

Summary:

- Placing of 50,000,000 New Ordinary Shares ("**Placing Shares**"), at the Issue Price and 90,000,000 Warrants to raise gross proceeds of approximately £2.0 million.
- The Placing Shares and Warrants have been placed by finnCap Ltd with institutional investors (the "**Placees**"). The Placing was undertaken by means of a non pre-emptive cashbox placing.
- Open Offer of up to 49,860,515 New Ordinary Shares ("**Open Offer Shares**") for Qualifying Shareholders on the basis of three New Ordinary Shares for every fourteen Existing Ordinary Shares held (with excess application facility) to raise up to £2.0 million.

- The New Ordinary Shares issued under the Fundraising will represent approximately 55.83 per cent of the Company's existing issued share capital (assuming full take-up of the Open Offer).
- Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on 9 May 2022.
- Subject to passing of the Resolutions at the General Meeting, application will be made to the London Stock Exchange for the Subscription Shares and Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Subscription Shares and Open Offer Shares will commence on 8 June 2022.
- In respect of the Warrants, application has been made to the London Stock Exchange for a block admission of 90,000,000 new Ordinary Shares to be admitted to trading on AIM ("**Block Admission**"). It is expected that the Block Admission will become effective on 11 May 2022. These New Ordinary Shares may be issued and allotted from time to time pursuant to the exercise of the Warrants. The new Ordinary Shares issued pursuant to the exercise of the Warrants, when issued, will rank pari passu with the existing Ordinary Shares of the Company.
- Further details of the Placing, Open Offer and Subscription are set out below.

A Circular to Shareholders in respect of the Open Offer is expected to be posted on 13 May 2022 giving notice of the General Meeting to be held on 6 June 2022 at 11:00 a.m. at the offices of Shepherd & Wedderburn, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL. A copy of the Circular will be available on the Company's website:

<http://www.omegadiagnostics.com/Investor-Relations/Corporate-Information>

Jag Grewal, CEO of Omega, commented:

“Following the outcome of the General Meeting in March, the Board reflected on the ongoing strategy and explored alternative options to fund future growth. In this process we concluded that the best opportunity to deliver shareholder value lies with a clear focus on our Health & Nutrition division, where we believe we have substantial opportunities in both China and the US. We have already confirmed that ongoing COVID income is expected to be minimal and, having considered strategic options for CD4 and the funding available to realise that opportunity, we have made the decision to divest the CD4 business and have begun the process of seeking an acquirer for it.”

“As set out in last month’s trading update, our Health & Nutrition division contributed to the strong growth seen in the previous financial year. We are very excited about the future prospects that we have in this area and delighted to have secured fresh investment from new shareholders to allow us to deliver on our new focussed growth strategy, enabling the Company to deliver personalised nutrition to the global market.”

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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 specialise in the areas of health and nutrition and global health.

www.omegadx.com

1. Introduction

The Company today announces that it has raised £2.0 million (before expenses) by means of the Placing of 50,000,000 Ordinary Shares at 4.0 pence per share and that it intends to make an Open Offer of a further 49,860,515 Ordinary Shares to give Qualifying Shareholders the opportunity to invest (up to £2.0 million) in the Company at the same Issue Price. Subscribers to the Placing have also been issued with Warrants to subscribe for one additional Ordinary Share at the Issue Price in the ratio of nine Warrants for every five Placing Shares issued to those subscribers.

Following Shareholders voting against the resolutions required to proceed with the proposals announced on 11 February 2022 to raise growth capital of up to £7.0 million, the Board reassessed the Company's strategy, including reflecting on alternative options for funding. During this time the price of Ordinary Shares has gradually declined due to continued uncertainty and a lack of capital required to move the business forward. Accordingly, the closing mid-market price was 4.0 pence on 5 May 2022, being the last practicable date prior to this announcement. As the nominal value of 4.0 pence for each Ordinary Share establishes the minimum issue price for new Ordinary Shares, the options for the Company were extremely limited. As a result, the Board determined that the Fundraising could only proceed through the issue of the Warrants to the small number of new investors in the Placing. If all 90,000,000 Warrants issued under the Placing are exercised during the Warrant Exercise Period, the Company will receive gross proceeds of a further £3.6 million.

Given the Company has now exited the Alva site and further reduced its cost base, the proceeds of the Placing will be used as detailed below. The Issue Price is the same as the closing mid-market price of 4.0 pence on 5 May 2022, being the last practicable date prior to the announcement of the Placing.

The Placing is conditional only on admission of the Placing Shares to trading on AIM, expected on 9 May 2022. On 9 May 2022 the Warrants will also be issued to subscribers under the Placing at the 9:5 ratio described above. The Open Offer is however conditional on, amongst other things, the passing of the Resolutions at the General Meeting and Admission taking place. It is expected that, subject to passing the Resolutions, the Open Offer Shares will be admitted to trading on AIM on 8 June 2022.

The net proceeds of the Fundraising, amounting to between £1.75 million and £7.25 million, depending on the take up of the Open Offer and the number of Warrants exercised, will be used to initially fund the CD4 business to divestment and provide additional working capital. Should the Warrants be exercised, this will allow the planned investment in Health and Nutrition to be accelerated.

The Company will publish a Circular to Shareholders to explain the background to and reasons for the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of the 760,746 Ordinary Shares held, directly or indirectly, by them representing approximately 0.33 per cent. of the total voting rights of the Company.

2. Background to and Reasons for the Fundraising

As detailed in the trading update issued on 7 April 2022, the Company reported a 41% increase in revenues to £12.3 million for the year ended 31 March 2022 (2021: £8.7 million), with the Health and Nutrition ("H&N") division contributing £8.6 million of revenue (2021: £6.8 million). Prior year H&N division sales are skewed by a large stocking order worth approximately £1.2 million placed by the Company's largest partner in China to seed the market in 2021. Excluding this stocking order from last year, underlying H&N sales grew by 54%, driven by strong Food Print® product sales, up 82%. This division remains the key area of strategic focus, and one where the Directors believe there to be substantial growth opportunities in both China and the US.

The Global Health division also saw substantial growth in the period, up 97% to £3.8 million (2020: £1.9 million). CD4 revenues increased to £1.0 million (2021: £0.1 million), as further progress is made to implement CD4 testing in high HIV prevalence countries and demand from aid agencies and non-governmental organisations continues to grow. Order intake is running well ahead of available production and the long-term prospects remain undiminished for the roll-out of the VISITECT® CD4 Advanced Disease test. Following on from the placing, which shareholders voted against at the general meeting held on 7 March 2022, the Company has evaluated the strategic options for its CD4 business. The conclusion of this strategic review is that the Company intends to divest of this business unit and to focus solely on its fast-growing Health & Nutrition business unit contributing the majority of revenues.

The Company has appointed advisors to manage the sale of the CD4 business and has already received strong expressions of interest from a number of potential acquirers. Following the divestment of the Alva site in March, the cash costs of operating the CD4 business under the Transitional Services Agreement (“TSA”) with Accubio Limited are significantly reduced, however the cash funding requirement remains approximately £300,000 per month. Whilst the Board are prepared to continue to fund the CD4 business in the short term, the TSA requires the whole Alva site to be returned to Accubio by 31 December 2022 at the latest. When sufficient time is allowed for an acquirer to complete the technical transfer of the product into a new facility, this implies that a sale should be closed in early summer.

COVID-19 related revenues contributed £2.6 million last year (2020: £1.7 million); however the Company no longer intends to support COVID-related products. The Company remains in dispute with the Department of Health and Social Care (DHSC) and has still to receive a response to the Company’s latest correspondence sent on 8 February 2022. At the Company’s request, the DHSC is making arrangements to remove the government-funded equipment from its former Alva site.

The Board will now focus Omega’s efforts solely and strategically on its core Health & Nutrition business, maintaining its leadership position and targeting significant organic growth through embracing digital technologies and related marketing activities. The Company’s growth strategy in this segment will also focus on geographic expansion in the USA, a health-conscious and mature personal health and well-being market, as well as expansion of the Company’s current menu of tests available to healthcare professionals, with the introduction of complementary tests, allowing customers to more comprehensively manage their patients and thus enabling the Company’s vision of delivering personalised nutrition for better health.

US Growth Opportunity

The US Food Sensitivity testing market is estimated to be the largest and most established market in the world. It is the leading market for functional medicine laboratory testing with an increasing demand for personalised medicine.

The Board believes the best route to market would be to replicate the Company’s CNS Laboratory service direct to health care professionals and ultimately direct to consumer. Omega differentiates itself from established players by taking the Group’s tried and tested market leading approach with education and support, coupled with its digital strategy, to engage and empower patients and healthcare professionals.

The total US market size is estimated by the Directors to be \$50-\$100 million and the Board believes that US revenues could potentially be between £3 million and £6 million over the next three to five years.

Product Menu Expansion

Microbiome

The Group’s intention is to build a wider menu of complementary gut health tests and to sell these through its well-established channels from a market leading position.

Understanding the microbiome is the new frontier of understanding chronic inflammatory conditions arising from poor gut health. Over recent years the gut microbiome in particular has been linked to a plethora of diseases and conditions, from diabetes and anxiety to obesity. The Group has recently seen a growing demand from its existing customer base in this segment.

Nutrigenomics

Defined as the relationship between nutrients, diet, and gene expression, Nutrigenomics allows the healthcare professional to understand genetic strengths and weaknesses making specific improvements that help achieve better health.

Combining all three provide a compelling value proposition that will offer true personalised nutritional assessment. The Board believes that menu expansion has the potential to generate material revenue growth over the medium term. The Directors believe that menu expansion from microbiome and nutrigenomics combined has the potential to increase revenues by £2 million to £5 million p.a. over the next five years.

Operational efficiency

The Group is well underway with its planned relocation to the new facility in Ely, Cambridgeshire, with access to the new site expected in the next few months. This represents a small delay from the anticipated timing of late Q1. The Group is currently in discussion with the developer, Riverside Capital, as to how a number of critical outstanding construction issues are to be completed prior to the lease being signed. The anticipated cost of such construction work is £0.5 million, which Riverside Capital is expected to fund. The Group is also seeking to recover liquidated damages in excess of £0.3 million from the developer arising from the late delivery of the building. The new facility is a 35,000 ft² state-of-the-art manufacturing space and will accommodate the Group's future expansion plans. In addition, the new site will be temperature and humidity controlled to facilitate key manufacturing processes and will be compliant to ISO 13485 and ISO 9001.

The Company intends to use the net proceeds of the Placing as follows:

Estimate Use of Proceeds	£m
Funding the CD4 business to divestment	1.2
Working Capital/costs	0.8
Total	£2.0*

**Excludes the proceeds derived from the Open Offer to Qualifying Shareholders. To the extent that the Open Offer generates additional funds, the working capital element will be increased. This also excludes any proceeds received from the exercise of the Warrants, which if exercised in full, would generate gross proceeds of £3.6 million.*

The net cash balance at 5 May 2022 was £1.4 million and whilst an overdraft facility of £2.0 million remains in place and unutilised, the facility is subject to renewal in June 2022. At this time, there is no certainty that the overdraft will be renewed or that it will be renewed at the same level.

Assuming the Resolution is passed at the General Meeting and the Open Offer proceeds then, subject to the level of take up of the Open Offer, the Board anticipates that additional net funds raised through the Open Offer will be used for working capital and to accelerate investment in the Health & Nutrition business. Proceeds from the sale of the CD4 business and/or the exercise of Warrants will be used to accelerate investment in H&N product range and US expansion as detailed above.

3. Group Segments

3.1. Health and Nutrition

The Group offers products to test for food sensitivity, a condition when there is a non-immediate adverse physiological response to particular foods as distinct to an allergic reaction to food. The Food Detective® product is designed for use by health practitioners and is believed to be the world's only established Point-of-Care food specific IgG test. FoodPrint® is a microarray technology used by over 140 laboratories worldwide offering significant benefits over traditional plate-based ELISA tests. The Group also provides a laboratory testing service from its UK base near Cambridge serving health care professionals and the consumer directly. The division's products have a widespread coverage and brand reach in over 70 countries.

The H&N division revenues were £8.6 million (2021: £6.8 million). Prior year H&N sales are skewed by a large stocking order worth approximately £1.2 million placed by the Company's largest partner in China to seed the market in 2021. Excluding this stocking order from last year, underlying H&N sales grew by 54%, driven by strong Food Print® product sales, up 82%. This division remains one of the key areas of strategic focus, with substantial growth opportunities in both China and the US. Growth during the period was driven by sales in North America, Europe and the Middle East. Omega's team have worked incredibly hard to educate consumers and drive awareness of nutritional therapy through its Health and Nutrition Academy webinars. These webinars have also focused on naturopathic therapies, functional medicine and sports nutrition and Omega remains confident that this will drive demand once markets fully open back up. Comparative sales from China in the first half of the year are skewed by a large stocking order placed the previous year with Omega's partner utilising that inventory in 2021 to seed the market. Sales ramp up in China is taking a little longer than expected due to local market conditions and the challenges that face any company looking to introduce a relatively new concept into the Chinese consumer market.

During the period, the Health and Nutrition team have begun marketing in a number of new and significant European territories, but the focus on future growth outside of China remains with the US and, as travel opens up with the US, Omega's team have more opportunities to engage with key partners in this market.

In readiness for a future growth in this division the Company expects to relocate this division to a new purpose-built facility in Ely in 2022, which will improve operational efficiencies and provide the additional capacity required to support this division's growth expectations.

3.2 Global Health

The Group's VISITECT® CD4 products are disposable, lateral flow Point-of-Care tests for determining CD4 levels in people living with HIV. Omega believes VISITECT® CD4 is the only instrument-free Point-of-Care established test in the market. Its strengths include the fact there is no requirement for refrigerated storage and that, relative to other CD4 tests that require an accompanying desktop instrument, it is affordable and easy to use.

CD4

The long-term prospects remain undiminished for the roll-out of the Company's VISITECT® CD4 Advanced Disease test, the first and the world's only instrument-free Point-of-Care test for monitoring CD4 levels, essential for the effective management of advanced HIV. Omega recorded CD4 sales of £1.0 million for the year ended 31 March 2022 and is encouraged by the progress being made to implement CD4 testing in high HIV prevalence countries. At the end of March 2022 Omega had confirmed orders worth over £1.1 million which are expected to be delivered in the year ending 31 March 2023, and the Company has an encouraging sales pipeline.

Key to the success of this roll-out is the Company's relationship with agencies such as the Clinton Health Access Initiative ("CHAI") and Unitaid, as they implement the WHO Advanced HIV Disease strategy in a number of low and middle-income countries. Following successful WHO prequalification last year, Omega is seeing a growing number of implementation partners engage through CHAI's Early Access Market Vehicle. Omega continues to receive strong feedback from external clinical studies and evaluations in key countries and can see positive indications that long term funders are supporting the roll out of the Advanced Disease initiative. The Company is now cleared to supply into 21 countries, up from the 15 country approvals announced in its 2021 year end results in July.

The Company has received a number of purchase orders via the procurement and logistics partners of the US President's Emergency Plan for AIDS Relief ("PEPFAR"), the world's largest funding contributor to the global HIV response. The Company's VISITECT® CD4 Advanced Disease test has been included in the PEPFAR 2022 Country and Regional Operational Plan Guidance for all PEPFAR-supported countries. The Company's test has again been highlighted as a semi-quantitative lateral flow assay which is able to differentiate CD4 value above and below 200 cells/mm³ and therefore should be used where existing instruments are not available or are available and without existing or planned service and maintenance and/or resource support, but not functional.

The Company continues to make progress with Médecins San Frontier ("MSF") which has a six-country deployment plan for the introduction of CD4 Advanced Disease in Africa, and it has commenced product deliveries and is currently supporting implementation with in-country training of MSF health workers.

The Company also continues to engage with a number of UN operation agencies to roll out its CD4 test and the ongoing momentum and progress made in implementation means that it remains confident in the market potential for its product. The addressable market is estimated to be in excess of \$20 million, with the potential to generate revenues of £6-£10 million per annum in 3-5 years' time.

The Company now wishes to focus solely and strategically on its Health & Nutrition business and has concluded that the CD4 business is likely to be more successful under new ownership, with an owner with a greater capacity to invest in production capabilities and product development/improvement.

COVID-19

The market for COVID-19 lateral flow tests has changed dramatically over the last 12 months. The anticipated volumes under the Company's contract with the Department for Health and Social Care did not materialise and the contract lapsed in late 2021. The Company has had very limited success in gaining the necessary product approvals in a timely fashion and during this time, product pricing had reduced significantly, with a large quantity of UK testing requirements being sourced from high volume manufacturers in China. With the current surplus of products on the market, selling prices are now substantially below the Company's cost of raw materials therefore making Omega's COVID-19 business unit unviable. In light of these circumstances, the Company will no longer pursue any COVID-19 opportunities and no further revenue is expected from COVID-19.

As announced on 10 December 2021, the Company is in dispute with the DHSC regarding the potential repayment of a pre-production payment of £2.5 million (net of VAT). The Board of Omega, having taken legal advice, do not believe that the Company is required to repay the pre-production payment and that it is entitled to recover additional losses incurred under the contract. Discussions with the DHSC are ongoing and the Company has yet to receive a response to the Company's latest correspondence sent on 8 February 2022. At the Company's request, the DHSC is making arrangements to remove the government-funded equipment from the Alva site.

4. Warrants

As detailed above, the Company has also agreed to issue Warrants to investors in the Placing on the basis of nine Warrants for every five Placing Shares subscribed. Accordingly, there will be 90,000,000 Warrants in issue under the

Block Admission, with the each having the right to subscribe for one new Ordinary Share. The Warrants are exercisable at a price of 4.0 pence per Ordinary Share during the Warrant Exercise Period.

The issue and validity of the Warrants is not conditional on the passing of the Resolution at the General Meeting, as the Warrants are issued using the same cashbox structure as the allotment and issue of the Placing Shares described above. Only subscribers for Placing Shares will receive Warrants, and participation in the Open Offer or the Subscription does not entitle the subscriber to any Warrants. None of the Warrants will be admitted to trading on AIM or any other stock exchange.

The other key terms and conditions of the Warrants are set out in the table below:

<i>Subscription Rights</i>	Each Warrant issued will confer on the holder the right to subscribe for one new Ordinary Share at a price of 4.0 pence per Ordinary Share by notice to the Company during the Warrant Exercise Period.
<i>Warrant Exercise Period</i>	The exercise period for a Warrant is the period from the date of issue of the Warrant to (and including) 5.00 p.m. on 9 November 2023 (unless terminated earlier in accordance with the terms of the Warrants)
<i>Exit</i>	Holders may elect to exercise Warrants conditionally on the occurrence of an "Exit" event before expiry of the Warrant Exercise Period
<i>Adjustment to Subscription Rights</i>	<p>The subscription rights conferred by the Warrants and/or the exercise price of the Warrants shall be adjusted by the Board in its sole discretion on the occurrence of certain events in relation to the Company, including</p> <ul style="list-style-type: none">(a) a subdivision, consolidation or reclassification of the Ordinary Shares;(b) a reduction of capital or any other reduction in the number of Ordinary Shares in issue from time to time;(c) an issue of Ordinary Shares by way of dividend or distribution or by way of capitalisation of profits or reserves; or(d) a consolidation, amalgamation or merger of the Company with or into another entity in certain circumstances <p>with the intention, in broad terms, that any such adjustment will leave the holder(s) of the Warrant(s) in a similar position to the position they were in immediately before the event giving rise to the adjustment.</p>
<i>Transfer</i>	The Warrants are, subject to certain conditions, freely transferable by the holders.
<i>Security</i>	The Warrants are not secured.
<i>Modifications</i>	The Company may amend the provisions of the instrument constituting the Warrants without the consent of the holders of the Warrants where such amendment is of a minor nature or to correct a manifest error. Otherwise no amendment or abrogation to the terms of the instrument are permitted without the consent of holders of at least 75% of the Warrants in issue at the time.
<i>Information Rights</i>	The Warrants entitle holders to receive the Company's annual report and accounts and all accompanying documents, together with every other document sent to the holders of the Ordinary Shares, in each case at the same time as it is sent to the holders of Ordinary Shares.
<i>Administration</i>	The Warrants are in certificated form and the Company has established and will maintain a register of the holders of Warrants. There are also provisions

in the instrument constituting the Warrants for meetings of the holders of Warrants.

5. Current Trading

The Company continues to trade in line with management expectations, albeit cash resources do not allow the Board to execute on its growth strategy. As at 5 May 2022, the Company had cash balances of £1.4 million and the overdraft facility remains undrawn.

As detailed in the trading update on 7 April 2022, the Company remains in dispute with the Department of Health and Social Care (DHSC) and has yet to receive a response to the Company's latest correspondence sent on 8 February 2022. At the Company's request, the DHSC is making arrangements to remove the government-funded equipment from the Alva site.

6. Details of the Placing and Subscription

The Company is raising, in aggregate, £2.0 million (before expenses) by means of the Placing, with the Placing Shares representing approximately 27.4 per cent. of the Existing Ordinary Shares prior to the Placing. The Placing is being undertaken by means of a non pre-emptive cashbox placing, in terms of which monies received from Placees will be applied by finnCap (acting as principal) in subscribing for redeemable preference shares in a new company incorporated in Jersey ("JerseyCo"). The Company will then allot and issue the Placing Shares and Warrants to the persons entitled thereto in the Placing in consideration for the transfer of finnCap's holding of ordinary shares and redeemable preference shares in the JerseyCo to the Company. Accordingly, instead of receiving cash consideration for the issue of Placing Shares and Warrants, following completion of the Placing, the Company will own the entire issued share capital of JerseyCo, whose principal assets will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing. The Company will then be able to access those funds by redeeming the redeemable preference shares it will hold in JerseyCo. The Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 9 May 2022.

The Company is also conditionally raising, in aggregate, £85,000 by means of the Subscription, with the Subscription Shares expected to represent approximately 0.75 per cent. of the Enlarged Issued Share Capital following Admission. The Subscription will be conditional upon the Resolution being passed at the General Meeting and upon Admission. The Directors (and certain of their connected persons) are participating in the Subscription as follows:

Director	Position	Current Number of Ordinary Shares	Current % Holding	Number of Subscription Shares	Resultant percentage holding of Enlarged Issued Share Capital
Simon Douglas	Chairman	0	0	625,000*	0.22%
Jag Grewal	CEO	235,746	0.13	500,000	0.26%
Chris Lea	CFO	0	0	500,000	0.18%
Jeremy Millard	Non-Executive Director	525,000	0.29	500,000	0.36%

* Includes 125,000 Subscription Shares applied for by relatives of Simon Douglas

Each of the Directors is a related party of the Company for the purposes of the AIM Rules by virtue of their status as Directors of the Company. finnCap, the nominated adviser of the Company, considers that the terms of their

participation in the Subscription to be fair and reasonable insofar as Shareholders are concerned.

7. Details of the Open Offer

The Company considers it important that Shareholders have an opportunity (where it is practicable for them to do so) to participate at the same price per Ordinary Share as the Placing and Subscription and, accordingly, the Company is proposing to make the Open Offer to Qualifying Shareholders. The Company is proposing to raise a maximum of approximately £2.0 million (before expenses) (assuming full take up of the Open Offer but being less than the €8 million maximum amount permitted without requiring the publication by the Company of a prospectus under the Prospectus Regulation Rules) through the issue of up to 49,860,515 Open Offer Shares.

The Open Offer Shares will be available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 4.0 pence per Open Offer Share, payable in full on acceptance. Any Open Offer Shares not applied for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders will be able to apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

3 Open Offer Shares for every 14 Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date

Entitlements of Qualifying Shareholders to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain restricted jurisdictions will not qualify to participate in the Open Offer.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form (for Qualifying Non-CREST Shareholders) and as credited to stock accounts in CREST (for Qualifying CREST Shareholders). Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to existing shareholdings. It should be noted that applications under the Excess Application Facility may not be satisfied in full.

Application will be made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST at 8.00 a.m. on 16 May 2022. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 31 May 2022. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of bona fide market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer will be 11.00 a.m. on 31 May 2022. The Open

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, will be contained in Part IV of the Circular and (for Qualifying Non-CREST Shareholders) on the accompanying Application Form.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank pari passu in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

8. Effect of the Fundraise

Upon Admission, and assuming full take up of the Open Offer Entitlements, the Enlarged Issued Share Capital is expected to be 284,667,919 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 18.3 per cent. Of the Company's Enlarged Issued Share Capital.

Following the issue of the Placing Shares and the New Ordinary Shares pursuant to the Fundraising, assuming full take up of the Open Offer Entitlements, Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of approximately 55.83 per cent. To their interests in the Company (prior to Placing). If a Qualifying Shareholder takes up his Open Offer Entitlement in full they will suffer (by reason of the issue of the Placing Shares and the New Ordinary Shares) a dilution of approximately 22.42 per cent. To their interest in the Company. In addition, the issue of new Ordinary Shares following the exercise of Warrants will have a dilutive effect on the interests of other Shareholders. If all Warrants issued under the Placing are exercised in full, this will further dilute Shareholders' proportionate ownership and voting interest in the Company by approximately 31.62 per cent.

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

"Admission"	the admission of the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by London Stock Exchange
"AIM Rules"	the AIM Rules for Companies, published by London Stock Exchange
"Application Form"	the application form for use by Qualifying Non-CREST Shareholders in connection with the Open Offer
"Block Admission"	the block admission applied for in respect of the 90,000,000 new Ordinary Shares to be admitted to trading on AIM pursuant to the Warrants
"Board"	the board of directors of the Company
"Circular"	the circular, containing further details of the Fundraising and convening the General Meeting in order to pass the Resolutions to be published by the Company on 13 May 2022
"Company" or "Omega"	Omega Diagnostics Group plc
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement

	of trades and the holding of uncertificated securities operated by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
“Dealing Day”	a day on which the London Stock Exchange is open for business in London
“Directors”	the directors of the Company
“Enlarged Issued Share Capital”	all of the Ordinary Shares in issue (including the New Ordinary Shares) upon Admission
“Euroclear”	Euroclear UK & International Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer”	in respect of each Qualifying CREST Shareholder, his Excess Open Offer Entitlement
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of the Circular
“Excess Shares”	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares will be marked “ex” for entitlement under the Open Offer, being 8:00 a.m. 13 May 2022
“Existing Ordinary Shares”	The 232,682,404 existing ordinary shares of 4.0 pence each in issue at the date of the Circular, all of which are admitted to trading on AIM
“FCA”	the Financial Conduct Authority
“finnCap”	finnCap Limited
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000
“Fundraising”	together the Placing, the Subscription and the Open Offer
“General Meeting”	the general meeting of the Company to be convened for 11.00 a.m. on 6 June 2022
“Group”	the group comprising the Company and its subsidiary undertakings
“Issue Price”	4.0 pence per New Ordinary Share
“JerseyCo”	means the company incorporated in Jersey in connection with the Placing
“JerseyCo Subscriber”	means finnCap in its capacity as a subscriber for the

“JerseyCo Subscriber Shares”	JerseyCo Subscriber Shares the ordinary and preference shares in JerseyCo initially held by the JerseyCo Subscriber
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 2003 and the Proceeds of Crime Act 2002
“New Ordinary Shares”	together, the Subscription Shares and the Open Offer Shares
“Open Offer”	the conditional invitation to be made by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Circular and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
“Open Offer Entitlement”	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders pursuant to the Open Offer
“Open Offer Shares”	the up to 49,860,515 new Ordinary Shares to be issued by the Company pursuant to the Open Offer
“Option Agreement”	means the option agreement dated on or about the date of this announcement entered into by the Company, JerseyCo and the JerseyCo Subscriber granting the JerseyCo Subscriber the option to sell and granting the Company the option to buy ordinary shares in JerseyCo
“Ordinary Shares”	ordinary shares of 4 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders with a registered address outside the United Kingdom
“President’s Emergency Plan for AIDS Relief” or “PEPFAR”	the US President’s Emergency Plan for AIDS Relief, the world’s largest funding contributor to the global HIV response
“Placing”	the placing of the Placing Shares and the Warrants pursuant to a placing agreement dated 5 May 2022 between the Company and finnCap
“Placing Shares”	the 50,000,000 Ordinary Shares to be issued pursuant to the Placing
“Prospectus Regulation”	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
“Prospectus Regulation Rules”	the prospectus rules and regulations made by the FCA pursuant to section 73A of FSMA (as amended from time to time)
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form

“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding certain Overseas Shareholders
“Receiving Agent” or “Registrar”	Share Registrars Limited
“Record Date”	close of business on 12 May 2022
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website
“Resolution”	the Resolution to be set out in the Notice of General Meeting forming part of the Circular
“Shareholders”	holders of Ordinary Shares
“Subscribers”	the subscribers pursuant to the Subscription
“Subscription”	the conditional subscription of £85,000 in aggregate by, Simon Douglas, Jag Grewal, Chris Lea and Jeremy Millard, Chairman, CEO, CFO and Non-Executive Director of the Company respectively for the Subscription Shares
“Subscription Shares”	the 2,125,000 New Ordinary Shares (in aggregate) to be issued to the Subscribers
“Transfer Agreement”	means the subscription and transfer agreement dated on or about the date of this announcement entered into by the Company, JerseyCo and the JerseyCo Subscriber providing, inter alia, for the acquisition by the Company from the JerseyCo Subscriber of the JerseyCo Subscriber Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on a Company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“Warrants”	the warrants to subscribe for new Ordinary Shares granted to subscribers of Placing Shares and exercisable at a price of 4 pence per Ordinary Share during the Warrant Exercise Period
“Warrant Exercise Period”	the period up until 5.00 pm on 9 November 2023
“£”, “pounds sterling”, “pence” or “p”	are references to the lawful currency of the United Kingdom
“€” or “Euros”	are references to a lawful currency of the European Union

PLACING AND OPEN OFFER STATISTICS

Issue Price	4.0 pence
Number of Ordinary Shares in issue on the date of the Circular (incl. the Placing Shares)	232,682,404
Number of Placing Shares to be issued under the Placing	50,000,000
Number of Warrants to be issued under the Placing	90,000,000
Number of Subscription Shares	2,125,000
Number of Open Offer Shares **	up to 49,860,515
Enlarged Issued Share Capital upon Admission **	284,667,919
New Ordinary Shares as a percentage of the Existing Ordinary Shares	up to 22.34 per cent.
Gross proceeds of the Placing*	£2.00 million
Gross proceeds of the Subscription	£0.08 million
Gross proceeds of the Open Offer**	up to £2.0 million
Gross proceeds of the Fundraising***	£4.1 million
Net proceeds of the Fundraising***	£3.8 million

Open Offer Statistics

Open Offer basic entitlement	3 Open Offer Shares for every 14 Existing Ordinary Shares
Open Offer Shares as a percentage of the Enlarged Issued Share Capital	17.5 per cent.
Open Offer Basic Entitlements ISIN	GB00BN7T6X57
Open Offer Excess Entitlements ISIN	GB00BN7T6Y64

* Representing the gross proceeds from the Placing Shares but not the issue of any new Ordinary Shares following exercise of Warrants. If all 90,000,000 Warrants are exercised, the Company will receive gross proceeds of a further £3.6m.

** Assuming take-up in full of the Open Offer by Qualifying Shareholder

*** Excluding any proceeds from the exercise of Warrants.

EXPECTED TIMETABLE

2022

Announcement of the Fundraising	7:00 a.m. 6 May
Admission of the Placing Shares	8.00 am on 9 May
Record Date for entitlements under the Open Offer	Close of business on 12 May
Publication and posting of the Circular, the Form of Proxy and, to Qualifying Non-CREST Shareholders only, Application Forms	13 May
Ex-entitlement date for the Open Offer	8:00 a.m. 13 May
Basic Entitlements and Excess Entitlements credited to stock accounts of qualifying CREST Shareholders	16 May
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4:30 p.m. 25 May
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3:00 p.m. 26 May
Latest time and date for splitting of Application Forms (to satisfy bona fide market claims only)	3:00 p.m. 27 May
Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11:00 a.m. 31 May
Announcement of the results of the Open Offer	1 June
Latest time and date for receipt of Forms of Proxy or electronic proxy appointments for use at the General Meeting	11:00 a.m. 4 June
General Meeting	11:00 a.m. 6 June
Announcement of the results of the General Meeting	6 June
Admission and commencement of dealings in the Offer and Subscription Shares on AIM	08:00 a.m. 8 June
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	8 June
Expected date of despatch of definitive share certificates for the New Ordinary Shares in certificated form (certificated holders only)	Week commencing 13 June