

## OMEGA DIAGNOSTICS GROUP PLC [ODX.L]

Omega Diagnostics Group PLC provides in-vitro diagnostics (IVD) products for use in hospitals, blood banks, clinics and laboratories and specializes in the areas of allergy and autoimmune, food intolerance and infectious diseases. Omega has three segments: The Allergy and autoimmune division specialises in the research, development, production, and marketing of in-vitro allergy and autoimmune tests used by doctors to diagnose patients with allergies and autoimmune diseases; The Food intolerance division specialises in the research, development, and production of kits to aid the detection of immune reactions to food; and The Infectious disease division specialises in the research, development, production, and marketing of kits to aid the diagnosis of infectious diseases.

**Company Facts** <http://www.omegadiagnostics.com/About>

Ticker	Market Cap	Sector	Exchange	Currency	Indices
ODX	£57m	Health	LSE	GB sterling	FTSE Aim

### Key Features

- Originally founded in 1987, Omega Diagnostics Group PLC was established in September 2006 when Omega Diagnostics Limited completed a “reverse acquisition” of an AIM Listed Cash Shell Company called Quintessentially English PLC. Omega is focused on selling a wide range of specialist products, primarily in the immunoassay, in-vitro diagnostics (IVD) market within three segments: Allergy, Food Intolerance and infectious diseases.
- In 2018, a restructure their operations was carried out whereby our four UK companies were amalgamated into one entity, Omega Diagnostics Ltd. In 2018 they disposed of their infectious disease business, with the exception of VISITECT CD4, to Novacyt SA, an international specialist in clinical diagnostics.
- Geographic presence- A global reach targeting fast-growing economies in emerging markets. Key market segmentation into Global Health, Food Intolerance, Allergies
- Global Health - Focus on unique VISITECT® CD4 rapid tests enabling access to people living with HIV in low- and middle-income countries.
- Food Intolerance - Point-of-care and laboratory-based solutions for food intolerance and gut health
- Allergy - Focus on lab automation through a strategic partnership with IDS. Expanding the menu of allergens
- It has strong alliances with leading research institutions, commercial partners and NGOs allow us them to access future technologies, innovative solutions and improved distribution capabilities.
- Skilled scientists with the capability and capacity for the development of novel immunoassays allied to skilled operational and support staff to manufacture and commercialise opportunities in key markets
- Intention in Participating in upcoming events in 2020 MEDICA – Dusseldorf [Nov 2020] and AACC Annual Scientific Meeting & Clinical Lab Expo Chicago [Dec 2020]
- Collaboration with Mologic who have announced that work is well underway on a new diagnostic manufacturing facility that will boost access to CODID19 rapid diagnostic tests, with capacity to produce up to 40million tests/year <https://mologic.co.uk/mologic-launch>
- Year on year share performance increase 216%. (23 Apr 2019 £0.12 24 April £0.38)

### Recent News

- **Omega Diagnostics gets approval for HIV test in Nigeria-** Received approval from the Federal Ministry of Health in Nigeria, to enable its 'VISITECT CD4 350' test product to be deployed in that country, announced on 17 Jan 2020. It said MOH approval meant the VISITECT CD4 350 test was the first rapid and instrument-free CD4 test to be implemented throughout Nigeria in the care of people living with HIV.

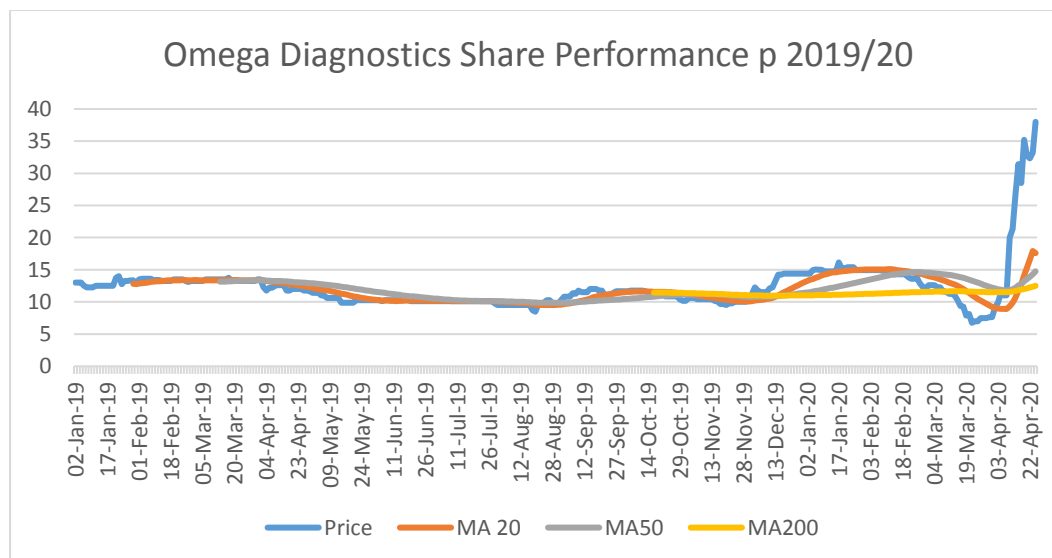
- **Omega Diagnostics inks deal with Mologic over Covid-19 antibody test**  
Omega Diagnostics announced a material transfer agreement with Mologic, in formalising a partnership to provide manufacturing capability for Mologic's Covid-19 first generation 'ELISA' diagnostics test. The AIM-traded firm said that the development of the test had been funded in part by the UK government. Once ready, the antibody test would be capable of playing a "key part" towards identifying people that had built up immunity to the pandemic-causing coronavirus, the company claimed. A consortium was jointly developing and manufacturing a point-of-care Covid-19 lateral flow antibody test, which could be used at home, and would be manufactured in Scotland. Omega said it would also CE-mark the test under the agreement, after which both parties would work together to commercialise the test. Omega, Abingdon Health, BBI Solutions, CIGA Healthcare, and the University of Oxford are part of the consortium which was formed at the request of the UK government to assist the development and manufacturing scale-up of a lateral flow antibody test for Covid-19. <https://www.medicaldevice-network.com/news/omega-diagnostics-signs-mou-covid-19-test/>

## Financial Performance

### Key Statistics

<u><a href="#">Omega Diagnostics</a></u>	31/3/2018	31/3/2019	Change
	£m	£m	%
Total Revenue	13.5	8.9	-34
Gross Profit	8.3	5.6	-33
Net INCOME	(7)	197.5	+100
Net Assets	18	20	+11
Long Term Debt	5.3	5.8	+9

## TECHNICAL ANALYSIS – Technical Diagnosis –

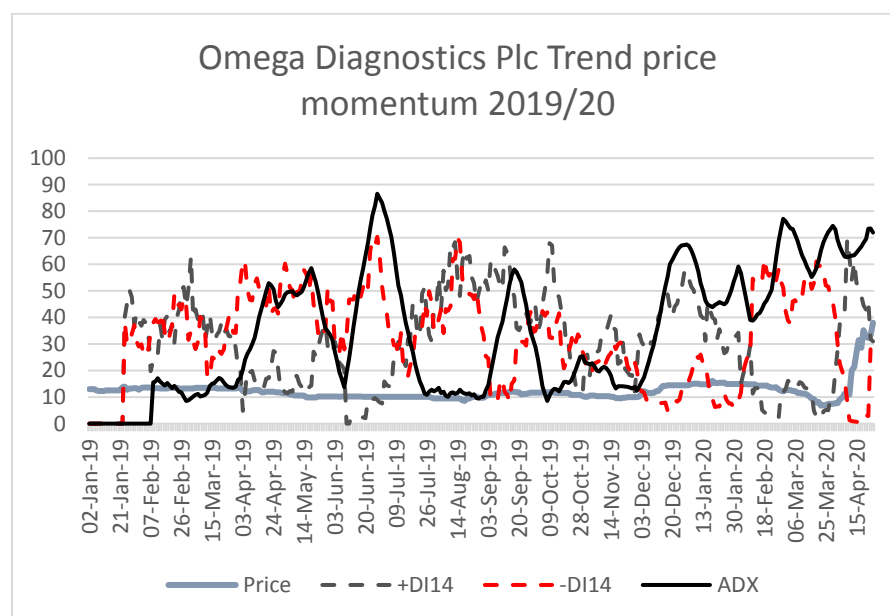


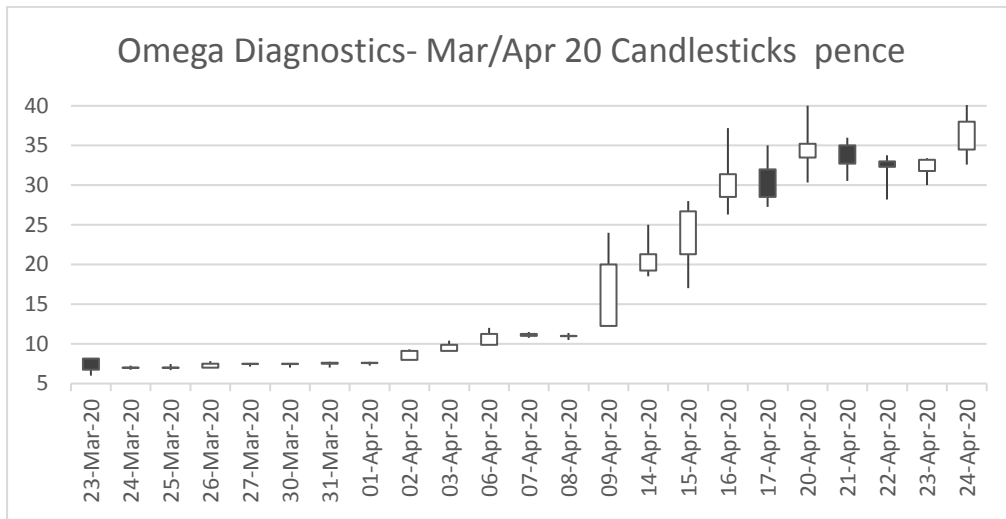
**Share Price and Momentum Performance** Omega diagnostics saw range bound price action throughout 2019 where consolidation and trading to mean reversion a common theme. In December 2019 the share price increased at one stage by 50% but by February it had fallen below 2019 lows. Since March 2020 the share has seen explosive upside growth as market price have been driven by sentiment regarding the pandemic. All moving averages have followed suit as the perfect combination of the 20 above the 50 above the 200 day indicate that enthusiasm has now taken hold with optimistic technical signals providing evidence of exponential growth in share price momentum. Between the periods 1 April to 24 April the share have seen a 400% increase in price fuelled by speculation that Omega will become a player in the anti-testing regime in the Covid pandemic. Whether such rate of growth can be sustained is always the \$64,000 question. The likelihood that at some point consolidation takes

hold but at what stage will be open to interpretation. A bull flag pattern may eventually occur suggesting that if continual optimism continues in market sentiment then up and away could result. The Average Directional Index [Black Line] which measures the strength of price momentum supports the current view that Omega has seen directional momentum strength from early December 2019 and is approaching its previous June 2019 high, a possible warning sign. The positive D+ [Green] momentum continues to show that buying pressure exceeds selling pressure D- [Red] Continued market enthusiasm will see D+ resume its upward pressure against D-, although this can not be assumed. The strength of the trend provides confirmation that participation in this stock has been a feature supported by significant activity in volume in Omega in the month of April. Price confirmation is also supported by recent candlestick performance as bullish candlesticks being the common feature for April. Positive fundamental news in Omega and its involvement in Anti-Testing for Covid has undoubtedly been a factor in the popularity of this share performance in April. Higher highs and higher lows in candlesticks is a feature of positive momentum. One must always be careful not to be too carried away with price escalation as aficionados of Bitcoin know only too well. Omega is an Aim listed stock with less market capitalisation than mainstream and a penny stock for the moment. Having said that the potential of this share may provide the opportunity to get in on the ground with high potential, given that Omega Diagnostics are now part of the consortium which was formed at the request of the UK government to assist the development and manufacturing scale-up of a lateral flow antibody test for Covid-19. The share would seem to have caught investor's appetite for risk but as usual past performance is not a guarantee for future performance. Continual upward sloping ADX with positive d+ momentum for me a sign that the share may have more legs to run.

### Trading Action—

I bought 30,000 shares @ £0.1972 on 10 April 2020. I bought a further 20,000 shares @ £0.23 on 14 April 2020. Bought 10,000 shares @ £0.587 on 9 June. Sold 10,000 shares on 29 June @ £0.443. Sold 10,000 shares on 9 July @ £0.364. Sold remaining holding of 40,000 @ £0.515 on 8 December.





Visitors should note that past performance is not necessarily a guide to future performance