



2 December 2019

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

**INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

Omega (AIM: ODX), the medical diagnostics company focused on CD4, food intolerance and allergy testing, announces its unaudited interim results for the six months ended 30 September 2019.

Omega provides high quality in-vitro diagnostics products for use in hospitals, clinics, laboratories and healthcare practitioners in over 75 countries and specialise in the areas of allergy and autoimmune, food intolerance and infectious disease. These results reflect the actions taken last year as part of the Board’s strategic review to divest the non-core infectious disease business and to close the German allergy business.

**Financial Highlights:**

- Revenue from continuing operations increased by 6% to £4.46m (2018: £4.22m)
  - Reported revenue, including discontinued operations, reduced by 15% at £4.46m (2018: £5.23m)
- Significant improvement in gross margin from continuing operations – up by 5.8 percentage points to 67.5% (2018: 61.7%)
- Statutory loss for the period of £0.29m (2018: profit of £1.04m)
- Adjusted loss before tax<sup>1</sup> of £0.35m (2018: adjusted loss before tax of £0.51m)
- EBITDA from continuing operations of £0.25m (2018: loss of £0.22m)
- Adjusted earnings per share<sup>1</sup> of -0.2p (2018: -0.5p)

<sup>1</sup>Adjusted for exceptional items, amortisation of intangible assets and share based payment charges

**Operational Highlights:**

- Placing and subscription for £1.7m completed on 10 October 2019
- 65 allergens CE marked to run on the IDS automated instrument including first screening assay
- First order for 20,000 Food Detective tests shipped to our strategic partner in China
- A second order for 30,000 Food Detective tests to be shipped to our strategic partner in China in November
- VISITECT® CD4 350 cut off test evaluation report written and submitted to the Nigerian Ministry of Health
- A second conditional order of 200,000 CD4 350 tests as announced separately today
- VISITECT® CD4 Advanced Disease test (utilising a lower 200 cut-off) receives ERPD approval

**Regarding outlook, William Rhodes, Interim Chairman, said:**

*“I am encouraged that we continue to make progress across all three divisions. Our financial performance was aligned to our expectations and is further indication that the restructuring we undertook in the prior year is having a positive impact. The recent fundraise also provides us with sufficient funding to implement our short term strategies, and I would like to thank all our shareholders who participated.”*

*“In summary, we have continued to make progress against our plans, and are well positioned for near term growth in both our food intolerance and CD4 business units.”*

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

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## Chairman's Statement

### Financial performance

Revenue from continuing operations increased by 6% to £4.46m (2018: £4.22m) predominantly due to the performance in our Food Intolerance division as described below. Total revenue, for the six months ended 30 September 2019 reduced by 15% to £4.46m (2018: £5.23m) with the reduction attributable to the divestment of our legacy infectious disease division and the decision to close our German and Indian manufacturing facilities, in the prior period.

Food Intolerance revenue increased by 6% to £4.08m over the prior period (2018: £3.84m). Two customer orders amounting to £0.2m, were ready to be shipped prior to 30 September 2019 but were not picked up by customers' freight companies until the first week of October. Accordingly, this revenue has not been included in our H1 results in line with our revenue recognition policy. Had this been included, our Food Intolerance division would have recorded revenue growth of 11%.

Sales of our FoodPrint® laboratory reagents increased by 12% to £2.67m (2018: £2.39m) with growth in four of our five top markets as measured by revenue. Sales of Food Detective® were mainly in line with the prior period at £0.96m (2018: £0.99m) with an uplift of £0.29m of sales to our new Chinese partners offsetting £0.12m of sales shipped in the first week of October (as noted above).

Sales in both the Allergy/Autoimmune and Infectious disease divisions are now proportionately much less of our total sales, following the divestitures and closures noted above, and respectively achieved sales of £0.26m (2018: £0.21m) and £0.12m (2018: £0.18m). In the main, these sales are achieved in India through our wholly owned subsidiary.

Gross profit from continuing operations increased by 16% to £3.01m (2018: £2.61m) with the gross margin percentage increasing by 5.8 percentage points to 67.5% (2018: 61.7%). The increase in margin is due to an improved product mix weighting towards FoodPrint® and significantly reduced levels of scrap compared to the prior period. The adjusted loss before tax from continuing operations was in line with management's expectation at £0.35m (statutory loss before tax of £0.41m and adding back amortisation of intangibles and share-based payment charges totalling £0.06m) (2018: adjusted loss before tax of £0.43m).

Administrative overheads from continuing operations increased by £0.22m to £2.63m (2018: £2.41m); the majority of this increase relates to amortisation of the Allergy and VISITECT® CD4 intangible assets. The allergy assets commenced amortisation with effect from 1 April 2019 and the CD4 assets commenced amortisation with effect from 1 August 2019, in line with the respective commercial launches of these products. Selling and marketing costs from continuing operations remained broadly the same at £0.74m (2018: £0.77m).

The tax credit in the year of £0.04m relates to SME R&D tax credits as compared to a tax charge of £0.1m in the prior period where SME R&D tax credits were offset by a tax charge having arisen in the prior period on the sale of the legacy infectious disease business, which accounts for the majority of the movement.

#### *IFRS 16 – Leases*

The Group has adopted IFRS 16 for its accounting period beginning on 1 April 2019. The effect of this is to treat previously recognised operating leases as finance leases. IFRS 16 captures agreements covering the Group's rental of its existing premises in Alva, Scotland and Ely, England, along with the rent of certain office equipment. The financial effect is that from 1 April 2019, the Group has recognised right of use assets totalling £1.93m with a corresponding liability for the same amount. Depreciation is charged through the profit and loss account on a straight line basis over the term of the lease. Interest is calculated on the outstanding liability, using the Group's current borrowing rate, and is charged through the profit and loss account. Rent payments, which previously would have been charged to profit and loss account (under the treatment of operating leases) are now treated as deductions of the applicable outstanding financial liabilities on the balance sheet. In the six month period to 30 September 2019, the Group has charged depreciation of £108,819 and interest expense of £72,807 through the profit and loss account and made lease payments totalling £152,453. The effect of adopting IFRS 16 is that both the statutory and adjusted loss before tax has been increased by £29,173.

### **VISITECT® CD4 350 test**

We have continued to make progress in signing distribution agreements and now have distributors in 19 countries for the 350 test, to nine of which have been added the Advanced Disease test. There are a further three countries for which distribution discussions are continuing.

We are still awaiting the outcome from the Nigerian Ministry of Health, following completion and submission of the evaluation report in October and we continue to remain confident about the prospects for Nigeria being the largest market for the 350 test.

### **VISITECT® CD4 Advanced Disease test**

As noted above, we have made good progress with appointing distribution partners in our target countries. As also announced previously, we received an order from Zimbabwe and we expect to receive further seeding orders from other countries for the remainder of the financial year.

Following receipt of ERPD approval announced in September, we are in discussions with the Clinton Health Access Initiative (“CHAI”) who act on behalf of UNITAID to implement their Advanced disease initiative. CHAI has identified four countries to act as early adopters of our VISITECT® CD4 Advanced Disease test, providing a test bed to implement CHAI’s advanced disease programme. CHAI are currently working with these countries’ Ministries of Health to identify how they will execute this programme. Once this task is complete, we expect to receive indication of demand from each of these countries.

We are making good progress with the WHO Prequalification (“WHO PQ”) process. This is a three-phase programme comprising:

- a review of the Company’s technical file
- a performance evaluation of our test
- a site inspection and audit of our quality management system

We expect the technical review phase to complete by the end of the calendar year (currently at 90%). Secondly, we expect to complete the drafting of the performance evaluation protocol and to have decided on the evaluation site by the calendar year end. This will allow the evaluation to commence in Quarter 1 of calendar 2020. Thirdly, the site inspection and audit of the Alva, UK facility is scheduled for January 2020. Successful completion of the three phases noted above leads to approval under the WHO PQ programme which allows full procurement by United Nations organisations.

### **Outlook**

I am encouraged that we continue to make progress across all three divisions. Our financial performance was aligned to our expectations and is further indication that the restructuring we undertook in the prior year is having a positive impact. The recent fundraise also provides us with sufficient funding to implement our short term strategies, and I would like to thank all our shareholders who participated.

Our food Intolerance division continues to grow and we remain confident that this unit will deliver double digit revenue growth in the current financial year, helped by our new Chinese partner having placed stocking orders for 50,000 units in preparation for their expected regulatory approval in China.

I am also encouraged by the progress we have made with our VISITECT® CD4 products. As announced separately today, our partner in Nigeria has ordered a further 200,000 CD4 350 tests, deliverable in January to March. This order is additional to the 50,000 test order previously announced and both orders remain conditional on receiving approval from the Nigerian Ministry of Health. We remain confident of receiving this in due course.

Following receipt of ERPD approval for our Advanced Disease test, we continue to engage with multiple stakeholders to ensure this version of our test is adopted early in countries with most need. In parallel, we have made progress with the WHO prequalification programme and the product evaluation and site audit are expected to commence in from January next year.

Médecins Sans Frontières are evaluating our Advanced Disease test in a number of countries and will be presenting two posters at the International Conference on AIDS and Sexually Transmitted Infections in Africa in Rwanda this week, highlighting the excellent performance of our test.

In summary, we have continued to make progress against our plans, and are well positioned for near term growth in both our food intolerance and CD4 business units.

William Rhodes  
Interim Non-Executive Chairman

**Consolidated Statement of Comprehensive Income  
for the six months ended 30 September 2019**

	Notes	6-month period ended 30 September 2019			6-month period ended 30 September 2018		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		£	£	£	£	£	£
<b>Revenue</b>	3	4,464,337	-	4,464,337	4,224,889	1,002,646	5,227,535
Cost of sales		(1,450,833)	-	(1,450,833)	(1,618,225)	(464,136)	(2,082,361)
<b>Gross profit</b>		3,013,504	-	3,013,504	2,606,664	538,510	3,145,174
Administration costs		(2,632,792)	-	(2,632,792)	(2,405,656)	(440,874)	(2,846,530)
Selling and marketing costs		(744,011)	-	(744,011)	(765,626)	(195,205)	(960,831)
Other operating income		82,643	-	82,643	61,026	-	61,026
<b>Operating loss before exceptional items</b>		(280,656)	-	(280,656)	(503,592)	(97,569)	(601,161)
Exceptional items:							
Gain on sale of legacy infectious disease business		-	-	-	-	1,091,808	1,091,808
Omega GmbH liabilities write off		-	78,493	78,493	-	676,113	676,113
<b>Operating (loss)/profit after exceptional items</b>		(280,656)	78,493	(202,163)	(503,592)	1,670,352	1,166,760
Finance costs	4	(128,656)	-	(128,656)	(25,599)	-	(25,599)
Finance revenue – interest receivable		-	-	-	11	-	11
<b>(Loss)/profit before taxation</b>		(409,312)	78,493	(330,819)	(529,180)	1,670,352	1,141,172
Tax credit/(charge)	5	87,956	(43,630)	44,326	134,830	(237,154)	(102,324)
<b>(Loss)/profit for the period</b>		(321,356)	34,863	(286,493)	(394,350)	1,433,198	1,038,848
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods</b>							
Exchange differences on translation of foreign operations		(25,882)	(78,493)	(104,375)	30,605	-	30,605
Tax charge	5	(1,938)	-	(1,938)	(5,124)	-	(5,124)
<b>Other comprehensive income for the period</b>		(27,820)	(78,493)	(106,313)	25,481	-	25,481
<b>Total comprehensive income for the period</b>		(349,176)	(43,630)	(392,806)	(368,869)	1,433,198	1,064,329
<b>Earnings Per Share (EPS)</b>							
Basic EPS on profit for the period	6			(0.2p)			0.6p
Diluted EPS on profit for the period				(0.2p)			0.6p

## Adjusted Loss before Taxation

	6-month period ended 30 September 2019			6-month period ended 30 September 2018		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	operations	operations		operations	operations	
	£	£	£	£	£	£
<b>(Loss)/profit before taxation</b>	<b>(409,312)</b>	<b>78,493</b>	<b>(330,819)</b>	(529,180)	1,670,352	1,141,172
Exceptional items	-	<b>(78,493)</b>	<b>(78,493)</b>	-	(1,767,921)	(1,767,921)
Amortisation of intangible assets	<b>57,639</b>	-	<b>57,639</b>	65,474	24,573	90,047
Share-based payment charges	<b>4,732</b>	-	<b>4,732</b>	30,000	-	30,000
<b>Adjusted loss before taxation</b>	<b>(346,941)</b>	<b>-</b>	<b>(346,941)</b>	<b>(433,706)</b>	<b>(72,996)</b>	<b>(506,702)</b>
<b>Earnings Per Share (EPS)</b>						
Basic and diluted Adjusted EPS on profit for the period	6		<b>(0.2p)</b>			(0.5p)

Adjusted loss before stated before exceptional items, amortisation of intangible assets and share based payment charges.

**Consolidated Balance Sheet  
as at 30 September 2019**

	At 30 Sept 2019 £	At 31 March 2019 £	At 30 Sept 2018 £
<b>Assets</b>			
Non-current assets			
Intangibles	17,754,266	17,044,293	15,740,459
Property, plant and equipment	3,284,952	1,569,581	1,667,085
Deferred taxation	1,549,944	1,371,260	1,287,785
Total non-current assets	<u>22,589,162</u>	<u>19,985,134</u>	<u>18,695,329</u>
Current assets			
Inventories	1,237,922	1,000,700	1,110,767
Trade and other receivables	2,597,772	2,489,389	2,692,975
Deferred consideration	-	-	375,000
Total current assets	<u>3,835,694</u>	<u>3,490,089</u>	<u>4,178,742</u>
Total assets	<u>26,424,856</u>	<u>23,475,223</u>	<u>22,874,071</u>
<b>Equity and liabilities</b>			
Issued capital	20,407,138	19,797,343	19,797,343
Retained earnings	(1,960,805)	(1,677,106)	(1,621,745)
Other reserves	(33,970)	70,405	40,887
Total equity	<u>18,412,363</u>	<u>18,190,642</u>	<u>18,216,485</u>
<b>Liabilities</b>			
Non-current liabilities			
Long term borrowings	1,823,192	78,478	136,100
Deferred taxation	2,172,889	2,036,593	1,748,247
Deferred income	991,786	864,255	481,752
Total non-current liabilities	<u>4,987,867</u>	<u>2,979,326</u>	<u>2,366,099</u>
Current liabilities			
Trade and other payables	1,485,257	1,461,973	1,719,507
Bank overdraft	1,394,260	744,708	452,200
Short term borrowings	145,109	98,574	103,082
Tax payable	-	-	16,698
Total current liabilities	<u>3,024,626</u>	<u>2,305,255</u>	<u>2,291,487</u>
Total liabilities	<u>8,012,493</u>	<u>5,284,581</u>	<u>4,657,586</u>
<b>Total equity and liabilities</b>	<u>26,424,856</u>	<u>23,475,223</u>	<u>22,874,071</u>

## Consolidated Statement of Changes in Equity for the six months ended 30 September 2019

	Issued Capital £	Retained earnings £	Translation reserve £	Total £
<b>Balance at 1 April 2018</b>	<b>19,797,343</b>	<b>(2,685,469)</b>	<b>10,282</b>	<b>17,122,156</b>
Profit for the period to 30 September 2018	-	1,038,848	-	1,038,848
Other comprehensive income-net exchange adjustments	-	-	30,605	30,605
Other comprehensive income-tax charge	-	(5,124)	-	(5,124)
Total comprehensive income	-	1,033,724	30,605	1,064,329
Share-based payments	-	30,000	-	30,000
<b>Balance at 30 September 2018</b>	<b>19,797,343</b>	<b>(1,621,745)</b>	<b>40,887</b>	<b>18,216,485</b>
Loss for the period to 31 March 2019	-	(64,595)	-	(64,595)
Other comprehensive income-net exchange adjustments	-	-	(12,368)	(12,368)
Other comprehensive income-net exchange adjustments recycled	-	-	41,886	41,886
Other comprehensive income-tax credit	-	5,033	-	5,033
Total comprehensive income	-	(59,562)	29,518	(30,044)
Share-based payments	-	4,201	-	4,201
<b>Balance at 1 April 2019</b>	<b>19,797,343</b>	<b>(1,677,106)</b>	<b>70,405</b>	<b>18,190,642</b>
Issue of share capital for cash consideration	634,795	-	-	634,795
Expenses in connection with share issue	(25,000)	-	-	(25,000)
Loss for the period to 30 September 2019	-	(286,493)	-	(286,493)
Other comprehensive income-net exchange adjustments	-	-	(104,375)	-104,375
Other comprehensive income-net exchange adjustments recycled	-	-	-	-
Other comprehensive income-tax charge	-	(1,938)	-	(1,938)
Total comprehensive income	-	(288,431)	(104,375)	(392,806)
Share-based payments	-	4,732	-	4,732
<b>Balance at 30 September 2019</b>	<b>20,407,138</b>	<b>(1,960,805)</b>	<b>(33,970)</b>	<b>18,412,363</b>

### Consolidated Cash Flow Statement



for the six months ended 30 September 2019

	6 months to 30 Sept 2019 £	6 months to 30 Sept 2018 £
<b>Cash flows generated from operations</b>		
(Loss)/profit for the period after exceptional items	(286,493)	1,038,848
Adjustments for:		
Taxation	(44,326)	102,324
Finance costs	128,656	25,599
Finance income	-	(11)
Operating (loss)/profit after exceptional items	(202,163)	1,166,760
(Increase)/decrease in trade and other receivables	(243,989)	276,435
(Increase)/decrease in inventories	(237,222)	86,371
Increase/(decrease) in trade and other payables	23,284	(1,211,411)
Depreciation	219,843	192,999
Amortisation of intangible assets	306,742	90,047
Movements in grants	127,531	124,392
Taxation received	135,606	-
Gain/(Loss) on sale of fixed assets	3,672	-
Exceptional item-Gain on sale of legacy infectious disease business	-	(1,091,808)
Exceptional item-Omega GmbH liabilities write off	(78,493)	(676,113)
Share-based payments	4,732	30,000
<b>Net cash flow from operating activities</b>	<b>59,543</b>	<b>(1,012,328)</b>
<b>Investing activities</b>		
Finance income	-	11
Purchase of property, plant and equipment	(56,583)	(231,262)
Right of Use Asset under IFRS16	(1,933,784)	-
Purchase of intangible assets	(964,309)	(1,034,153)
Sale proceeds from legacy infectious disease business	-	1,800,000
<b>Net cash used in investing activities</b>	<b>(2,954,676)</b>	<b>534,596</b>
<b>Financing activities</b>		
Finance costs	(55,850)	(25,599)
Finance costs - ROU interest under IFRS16	(72,806)	-
Proceeds from issue of share capital	634,795	-
Expenses of share issue	(25,000)	-
New finance leases	-	40,500
Right of Use Lease Liability under IFRS16	1,933,784	-
Drawdown of overdraft facility	649,552	452,200
Finance lease repayments	(62,888)	(69,529)
ROU Lease repayments under IFRS16	(79,647)	-
<b>Net cash from financing activities</b>	<b>2,921,940</b>	<b>397,572</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>26,807</b>	<b>(80,160)</b>
Effects of exchange rate movements	(26,807)	(35,559)
Cash and cash equivalents at beginning of period	-	115,719
<b>Cash and cash equivalents at end of period</b>	<b>-</b>	<b>-</b>

## Notes to the Interim Report

for the six months ended 30 September 2019

### 1. BASIS OF PREPARATION

For the purpose of preparing the March 2019 annual financial statements the Directors used IFRS as adopted by the EU and in accordance with the AIM Rules issued by the London Stock Exchange. In preparing these interim financial statements, the accounting policies used in the Group's Annual Report for the year ended 31 March 2019 have been applied consistently. The Group has not applied IAS 34 *Interim Financial Reporting*, which is not mandatory for AIM companies, in the preparation of these interim financial statements.

The interim financial statements are unaudited. The information shown in the consolidated balance sheet as at 31 March 2019 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2019 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2018 Annual Report was unqualified and did not contain a statement under sections 498 (2) and 498 (3) of Chapter 3, Part 16 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 29 November 2019.

### 2. SEGMENT INFORMATION

For management purposes the Group is organised into three operating divisions: Allergy and Autoimmune, Food Intolerance and Infectious Disease and Other.

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. It also provides clinical analysis to the general public, clinics and health professionals as well as supplying the consumer Food Detective test.

The Infectious Diseases division specialises in the research, development and production and marketing of kits to aid the diagnosis of infectious diseases.

Corporate consists of centralised corporate costs which are not allocated across the three business divisions.

Inter segment transfers or transactions are entered into under the normal commercial conditions that would be available to unrelated third parties.

	Allergy & Autoimmune	Food Intolerance	Infectious / Other	Corporate	Group
	£	£	£	£	£
<b>September 2019</b>					
<b>Statutory presentation</b>					
Revenue	300,751	4,184,615	120,383	-	4,605,749
Inter-segment revenue	(40,212)	(101,200)	-	-	(141,412)
<b>Total revenue</b>	<b>260,539</b>	<b>4,083,415</b>	<b>120,383</b>	<b>-</b>	<b>4,464,337</b>
Cost of sales	(53,840)	(1,121,183)	(275,810)	-	(1,450,833)
Gross profit/(loss)	206,699	2,962,232	(155,427)	-	3,013,504
Operating costs	(345,400)	(1,326,792)	(1,122,844)	(499,124)	(3,294,160)
Operating (loss)/profit before exceptional items	(138,701)	1,635,440	(1,278,271)	(499,124)	(280,656)
Share-based payment charges	-	-	-	4,732	4,732
Depreciation	6,344	118,223	95,277	-	219,844
Amortisation - non add back	216,371	-	32,731	-	249,102
Amortisation	320	50,322	6,997	-	57,639
<b>EBITDA</b>	<b>84,334</b>	<b>1,803,985</b>	<b>(1,143,266)</b>	<b>(494,392)</b>	<b>250,661</b>
Share-based payment charges	-	-	-	(4,732)	(4,732)
Depreciation	(6,344)	(118,223)	(95,277)	-	(219,844)
Amortisation - non add back	(216,371)	-	(32,731)	-	(249,102)
Amortisation	(320)	(50,322)	(6,997)	-	(57,639)
Net finance costs	(350)	(6,640)	(71,016)	(50,650)	(128,656)
(Loss)/profit before tax	(139,051)	1,628,800	(1,349,287)	(549,774)	(409,312)
Share-based payment charges	-	-	-	4,732	4,732
Amortisation	320	50,322	6,997	-	57,639
<b>Adjusted (loss)/profit before tax</b>	<b>(138,731)</b>	<b>1,679,122</b>	<b>(1,342,290)</b>	<b>(545,042)</b>	<b>(346,941)</b>

	Allergy & Autoimmune	Food Intolerance	Infectious / Other	Corporate	Group
	£	£	£	£	£
<b>September 2018</b>					
<b>Statutory presentation</b>					
Revenue	208,366	3,891,702	226,924	-	4,326,992
Inter-segment revenue	-	(56,239)	(45,864)	-	(102,103)
<b>Total revenue</b>	<b>208,366</b>	<b>3,835,463</b>	<b>181,060</b>	<b>-</b>	<b>4,224,889</b>
Cost of sales	(163,856)	(1,198,388)	(255,981)	-	(1,618,225)
Gross profit/(loss)	44,510	2,637,075	(74,921)	-	2,606,664
Operating costs	(107,834)	(1,239,708)	(719,771)	(1,042,943)	(3,110,256)
Operating (loss)/profit before exceptional items	(63,324)	1,397,367	(794,692)	(1,042,943)	(503,592)
Share-based payment charges	-	-	-	30,000	30,000
Depreciation	28,854	117,903	46,242	-	192,999
Amortisation	1,816	53,502	10,156	-	65,474
<b>EBITDA</b>	<b>(32,654)</b>	<b>1,568,772</b>	<b>(738,294)</b>	<b>(1,012,943)</b>	<b>(215,119)</b>
Share-based payment charges	-	-	-	(30,000)	(30,000)
Depreciation	(28,854)	(117,903)	(46,242)	-	(192,999)
Amortisation	(1,816)	(53,502)	(10,156)	-	(65,474)
Net finance costs	-	-	(5,390)	(20,198)	(25,588)
(Loss)/profit before tax	(63,324)	1,397,367	(800,082)	(1,063,141)	(529,180)
Share-based payment charges	-	-	-	30,000	30,000
Amortisation	1,816	53,502	10,156	-	65,474
<b>Adjusted (loss)/profit before tax</b>	<b>(61,508)</b>	<b>1,450,869</b>	<b>(789,926)</b>	<b>(1,033,141)</b>	<b>(433,706)</b>

### 3. REVENUES

## Continuing Operations

	6 months to 30 Sept 2019 £	6 months to 30 Sept 2018 £
UK	288,804	323,471
Europe	1,474,214	1,352,693
North America	765,389	759,023
South/Central America	211,394	305,112
India	403,889	350,027
Asia and Far East	795,389	766,919
Africa and Middle East	525,258	367,644
	4,464,337	4,224,889

## 4. FINANCE COSTS

	6 months to 30 Sept 2019 £	6 months to 30 Sept 2018 £
Interest payable	52,096	21,594
Finance charges payable under finance leases	76,560	4,005
	128,656	25,599

## 5. TAX CREDIT/(CHARGE)

	6 months to 30 Sept 2019 £	6 months to 30 Sept 2018 £
<b>Tax credited/(charged) in the income statement</b>		
Current tax - current year	-	(16,698)
Deferred tax - current year	99,125	(111,408)
Deferred tax - prior year adjustment	(54,799)	25,782
	44,326	(102,324)
<b>Tax relating to items charged to other comprehensive income</b>		
Deferred tax on net exchange adjustments	(1,938)	(5,124)
	(1,938)	(5,124)
<b>Reconciliation of total tax charge</b>		
Factors affecting the tax charge for the period:		
<b>(Loss)/profit taxable</b>	<b>(409,312)</b>	<b>1,141,172</b>
<b>Effective rate of taxation</b>	<b>19%</b>	<b>19%</b>

(Loss)/profit before tax multiplied by the effective rate of tax	(77,769)	216,823
Effects of:		
Expenses not deductible for tax purposes and permanent differences	(59)	37,135
Research and development tax credits	(42,460)	(48,632)
Deferred tax asset on losses in year not recognised	(3,107)	110,090
Tax under/(over) provided in prior years	11,169	(25,782)
Adjustment due to different overseas tax rate	12,539	(39,610)
Exceptional items (relating to closed German / Indian operations)	43,630	(128,462)
Impact of UK rate change on deferred tax	11,731	(19,238)
<b>Tax (credit)/charge for the period</b>	<b>(44,326)</b>	<b>102,324</b>

## 6. EARNINGS PER SHARE

	<b>6 months to 30 Sept 2019</b>	<b>6 months to 30 Sept 2018</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit attributable to equity holders of the Group	(286,493)	1,038,848
	<b>2019 Number</b>	<b>2018 Number</b>
Weighted average number of shares	129,109,732	126,959,060
Share options	307,062	306,718
Diluted weighted average number of shares	129,416,794	127,265,778

The number of shares in issue at the period end was 133,307,010. Basic earnings per share are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Diluting events are excluded from the calculation when the average market price of ordinary shares is lower than the exercise price.

### Adjusted Earnings per share on loss for the period

The Group presents adjusted earnings per share which is calculated by taking adjusted (loss)/profit before taxation and adding the tax credit in order to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

	<b>6 months to 30 Sept 2019</b>	<b>6 months to 30 Sept 2018</b>
	<b>£</b>	<b>£</b>
Adjusted loss before taxation	(346,941)	(506,702)
Tax credit/(charge)	44,326	(102,324)
Adjusted loss attributable to equity holders of the Group	(302,615)	(609,026)

## 7. INTANGIBLES

	Goodwill £	Licences/ software £	Supply arrangements £	Technology assets £	Customer relationships £	Development costs £	Total £
<b>Cost</b>							
At 1 April 2018	3,349,878	1,622,786	-	1,974,994	100,003	9,186,215	16,233,876
Additions internally generated	-	-	-	-	-	1,092,267	1,092,267
Disposals	(332,986)	-	-	-	-	-	(332,986)
Currency translation	17,608	14,788	6,946	2,286	14,904	7,133	63,665
At 30 September 2018	3,034,500	1,637,574	6,946	1,977,280	114,907	10,285,615	17,056,822
Additions	-	13,651	-	-	-	-	13,651
Additions internally generated	-	-	-	-	-	1,357,734	1,357,734
Currency translation	(17,608)	(14,563)	(6,946)	(2,286)	(14,904)	(7,133)	(63,440)
At 31 March 2019	3,016,892	1,636,662	-	1,974,994	100,003	11,636,216	18,364,767
Additions	-	-	-	-	-	-	-
Additions internally generated	-	-	-	-	-	1,019,614	1,019,614
Disposals	-	(3,672)	-	-	-	-	(3,672)
Currency translation	-	1,065	-	-	-	-	1,065
<b>At 30 September 2019</b>	<b>3,016,892</b>	<b>1,634,055</b>	<b>-</b>	<b>1,974,994</b>	<b>100,003</b>	<b>12,655,830</b>	<b>19,381,774</b>
<b>Accumulated amortisation</b>							
At 1 April 2018	-	59,325	-	1,045,100	100,003	-	1,204,428
Amortisation charge in the year	-	8,513	-	49,374	24,538	7,622	90,047
Currency translation	-	2,111	6,946	2,182	11,130	(481)	21,888
At 30 September 2018	-	69,949	6,946	1,096,656	135,671	7,141	1,316,363
Amortisation charge in the year	-	8,751	-	49,374	179	(7,622)	50,682
Currency translation	-	(2,077)	(6,946)	(2,182)	(35,847)	481	(46,571)
At 31 March 2019	-	76,623	-	1,143,848	100,003	-	1,320,474
Amortisation charge in the year	-	8,265	-	49,374	-	249,103	306,742
Currency translation	-	292	-	-	-	-	292
<b>At 30 September 2019</b>	<b>-</b>	<b>85,180</b>	<b>-</b>	<b>1,193,222</b>	<b>100,003</b>	<b>249,103</b>	<b>1,627,508</b>
<b>Net book value</b>							
<b>30-Sep-19</b>	<b>3,016,892</b>	<b>1,548,875</b>	<b>-</b>	<b>781,772</b>	<b>-</b>	<b>12,406,727</b>	<b>17,754,266</b>
31-Mar-19	3,016,892	1,560,039	-	831,146	-	11,636,216	17,044,293
30-Sep-18	3,034,500	1,567,625	-	880,624	(20,764)	10,278,474	15,740,459

## 8. FIXED ASSETS

	Right of use use assets £	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>				
At 1 April 2018	-	838,771	3,610,761	4,449,532
Additions	-	101,013	130,248	231,261
Disposals	-	(20,450)	(107,594)	(128,044)
Currency translation	-	-	(6,522)	(6,522)
At 30 September 2018	-	919,334	3,626,893	4,546,227
Additions	-	19,204	89,352	108,556
Disposals	-	-	-	-
Currency translation	-	-	-	-
At 31 March 2019	-	938,538	3,716,245	4,654,783
Additions	1,933,784	30,780	25,803	1,990,367
Disposals	-	-	-	-
Currency translation	-	-	148	148
<b>At 30 September 2019</b>	<b>1,933,784</b>	<b>969,318</b>	<b>3,742,196</b>	<b>6,645,298</b>
<b>Accumulated depreciation</b>				
At 1 April 2018	-	357,528	2,379,071	2,736,599
Charge in the year	-	87,776	159,816	247,592
Disposals	-	(5,059)	(72,602)	(77,661)
Currency translation	-	-	(27,388)	(27,388)
At 30 September 2018	-	440,245	2,438,897	2,879,142
Charge in the period	-	88,931	104,931	193,862
Disposals	-	-	-	-
Currency translation	-	-	12,198	12,198
At 31 March 2019	-	529,176	2,556,026	3,085,202
Charge in the period	108,819	53,769	112,556	275,144
Currency translation	-	-	-	-
<b>At 30 September 2019</b>	<b>108,819</b>	<b>582,945</b>	<b>2,668,582</b>	<b>3,360,346</b>
<b>Net book value</b>				
<b>30-Sep-19</b>	<b>1,824,965</b>	<b>386,373</b>	<b>1,073,614</b>	<b>3,284,952</b>
31-Mar-19	-	409,362	1,160,219	1,569,581
30-Sep-18	-	479,089	1,187,996	1,667,085