RNS Number : 4309N
OptiBiotix Health PLC
30 September 2021

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OptiBiotix Health plc
("OptiBiotix" or the "Company" or the "Group")

Half Year Report

OptiBiotix Health plc (AIM: OPTI), a life sciences business developing compounds to tackle obesity, cardiovascular disease and diabetes, announces its results for the six months ended 30 June 2021.

Highlights

- Strong first half of trading with sales of LP_{LDL}® and SlimBiome® of £1.076m, a 44.5% increase over H1:2020
- A 59.6% increase in gross profit and 4.8% increase in gross margins
- Sales up by 57.5% in ProBiotix division to £536,225 (H1 2020: £340,429)
- Sales up by 35.6% in PreBiotics division to £539,819 (H1 2020: £398,271)
- A group net trading profit of £110,893
- A scalable business model growing sales and margins with a wide portfolio of small and large partners, pharmaceutical specialists, and established retailers building an international brand presence
- Growing sales with existing partners by extending product lines and territories
- Growing sales with large partners in key strategic markets (e.g India, China, USA)
- Commercialising next generation products including microbiome modulators (MM's) biotherapeutics, and growing family of SweetBiotix® products
- Deals for LP_{LDL}®/CholBiome® signed with Compson Biotechnology (Taiwan), INSCOBEE INC (South Korea) and Bioscience Marketing (Malaysia)
- Launch of SlimBiome Metablic Support on TMall in Taiwan with MaxCare
- Expansion of the Slimbiome containing products portfolio in Optipharm with the Optiman brand in July 2021
- Arrotex Pharmaceutials, Australia's largest privately owned pharmaceutical company launched a Very Low-Calorie Diet (VLCD) weight management product featuring SlimBiome product. This is a new product range offered through pharmacies and online in Australia
- Strengthening of Board with Christopher Brinsmead CBE and Stephen Hammond MP as non-executive Directors
- René Kamminga joined as Chief Executive Officer of OptiBiotix Ltd, a wholly owned subsidiary of OptiBiotix Health plc
- Investment in SkinBioTherapeutics plc has increased from £8,962,564 as of 30 December 2020, to £22,948,048 as of June 30 2021
- Completion of a successful human study (awaiting publication), in volunteers taking LP_{LDL}® in a high cholesterol patient group, showed substantive reductions in total cholesterol, LDL cholesterol, and Apolipoprotein B (ApoB), a biomarker increasingly linked to atherogenic risk
- OptiBiotix recognised as a key player in the global microbiome market in a number of industry reports

Stephen O'Hara, CEO of OptiBiotix, commented: *"This has been another period of progress for OptiBiotix with strong sales growth and improving margins allowing the Group to build a recurring revenue base providing a foundation on which to build a profitable and valuable business. We believe new product launches in July 2021, the extension of territories with existing partners, the prospect of agreements with large partners in key strategic markets, and the growing realisation of our development pipeline, allow us to look forward with confidence to further commercial progress of the Group in the current year and beyond.*

During this period, the Company made a number of additions to the board and executive team reflecting the increased focus on commercialising products with larger partners into high value strategic markets which value science, clinical studies, and intellectual property. We anticipate further additions and changes team in-line with the continued growth and expansion of the Group.
The Company is now in the strongest position it has ever been in with a strong team, large and valuable intellectual property portfolio in the rapidly growing microbiome space, multiple clinical studies showing product safety and efficacy, recurring orders, and a valuable asset in OptiBiotix's holding in SBTX.

With industry and consumer interest in the microbiome and gut health growing OptiBiotix's portfolio of award winning first generation and industry disruptive second-generation products places it in a strong position for future growth in this exciting area of healthcare."

This announcement contains information which, prior to its disclosure, was considered inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Chairman's and Chief Executive's Statement

We are pleased to present OptiBiotix Health plc's interim results for the six month period ended 30 June 2021.

Trading during the first six months of this year has been strong. The Group saw sales of LP_{LDL}® and SlimBiome® as an ingredient or final product of £1.076m, representing a 44.5% increase over the H1 period last year.

Each division continues to make progress with sales in ProBiotix of £536,225, up 57.5% (H1 2020: £340,429), PreBiotics sales of £539,819, up 35.6% (H1 2020: £398,271), and a 4.8% increase in margins compared to the same period last year. As in previous years, there was no substantive contribution in the period from license or royalty payments which tend to be received in the second half of the year. The Group believes it is in a strong position to meet or exceed its full year sales forecast.

The strong sales growth is especially pleasing given the continued uncertain global economic environment and challenges of the subsequent waves of COVID-19, particularly in countries like India and the USA, in the first six months of the year.

Strategic overview

OptiBiotix operates in the human microbiome space, an exciting area of healthcare expected to grow at a CAGR of over 22% between 2020 and 2025 (Mordor Intelligence 2019). The Group is at a strategic inflection point with brand recognition and growing sales from its global network of partners from its lead first generation products and early commercial traction with its second generation products. First generation products were designed with a low development risk with the aim of establishing the Group and its products whilst second generation products are step changes in innovation, which if successful, have a large potential upside. The Group continues to build value through both sets of products and its holding in separately listed SkinBioTherapeutics plc (SBTX).

The Group is making strong progress against the aims it set out in the first half of the year:-

I. Growing sales with existing partners by extending product lines and territories. These include:-
   a. The launch of Bioslim, a Very Low-Calorie Diet (VLCD) weight management product with Arrotex Pharmaceutials, Australia's largest privately owned pharmaceutical company and the Optiman brand containing OptiBiome in July 2021 with Optipharm.
   b. The extension of Holland & Barretts SlimExpert own brand range of SlimBiome® from three to eight in March 2021.
   c. Territory expansion for DS-01 containing LP_{LDL}® with Seed Health to support their ambitious growth plans.
II. Growing sales with large partners in key strategic markets (e.g India, China, USA etc).
   a. These bring volume sales, international reach, and enhance brand credibility but take longer to negotiate given the often lengthy due diligence process.
III. Changing the sales mix to increase sales of final products.
IV. Renegotiating costs of goods as volumes increase to gain volume discounts.
V. Commercialising its next generation products including microbiome modulators (MM's) biotherapeutics, and its growing family of SweetBiotix® products.

Our first generation products are now increasingly becoming associated with international retail and pharmaceutical partners and established brands, which create further interest, and demand in other markets. As we grow sales and profitability in our first generation products, extend our reach into new application areas and territories, and commercialise next generation products the scale of our opportunity enlarges. Consumer and industry interest in the microbiome and 'gut health' is growing and its link with a wide range of chronic illnesses is becoming more defined. OptiBiotix is well placed to exploit this emerging opportunity with its products and with it the potential for a significant enhancement in the value of the Group.

Commercial Overview

The Group provided a commercial update in August (RNS: 5/8/21) and as such this section provides a general update on areas not previously covered. The Group is increasing brand and product awareness in key strategic markets and has signed deals with Compson Biotechnology (Taiwan), INSCOBEE INC (South Korea) and Bioscience Marketing (Malaysia) - all for LP_{LDL}®/CholBiome®. These agreements have been reached to build LP LDL® and CholBiome's reputation and brand awareness in Asia and open up the potential for cross boarder e-commerce trading in China. These agreements are complemented by the launch of SlimBiome Metablic Support on TMall in Taiwan with MaxCare in May 2021. TMall is part of the Alibaba group, an online platform which allows both Chinese and international companies to sell their products in mainland China, Hong Kong, Macau, and Taiwan, and the 3rd most visited website in the world and the 1st most visited website in China https://en.wikipedia.org/wiki/Tmall. These create multiple routes of entry into the large and complex Chinese market.

We are particularly pleased with the large number of industry, retail nominations, and awards, we have won for our products in different territories around the world: see link https://www.optibiotix-ir.com/content/investors/annual_report

Industry awards increase brand and product awareness which in turn increases partners' interest, leading to OptiBiotix being recognised as a key player in the global microbiome market in a number of industry reports.

Investors will note the gradual migration of the Group's awards and nominations from science to ingredients, and increasingly to final products, as we look to provide more high value differentiated final solutions. This focus will continue throughout 2021 and into 2022 in line with our strategy of growing LPLDL® and SlimBiome® as ingredients brands through a business to business (B2B) network of partners giving us the confidence to invest in building our own brand finished product solutions (e.g. GoFigure, CholBiome, SlimBiome Medical) with our ingredients at the core. Sales of final product typically have higher prices and margin increasing turnover and profitability and act as a pull through for ingredient sale creating a dual effect. As the Group moves towards a greater focus on direct to consumer final product sales it will increase its investment in product marketing.

Results

OptiBiotix results for six months ended June 30 2021 are set out below.

The results show revenue for the six months of £1.076m (2020: £744,821) representing a 44.5% increase over the H1 period last year and ahead of the Group's expectations for the first six months of the year.

Each division continues to make progress with sales in ProBiotix of £536,225, up 57.5% (H1 2020: £340,429) and PreBiotics sales of £539,819, up 35.6% (H1 2020: £398,271) compared to the same period last year with gross margins increasing from 39.2% to 44%. As in previous years, there was no substantive contribution in this period from license or royalty payments which tend to be received in the second half of the year and increase margins. The Group has renegotiated a number of agreements with both suppliers and customers in H1 2021 which will impact on margins in H2 and more substantially in full year 2022 and beyond.

Administrative expenses were £1,071,015 (2020: £896,268) with £174,780 non-cash expenses representing depreciation, amortisation and share based payment charges (2020: £162,840). The increase in administrative expenses (£174,747) was a result of one-off recruitment and search fees for René Kamminga, an innovations director, a business development director for North America, and consultancy fees for Chris Nother plus additional staff costs (£52,000) for Dr Taru Jain (Business Development Director Asia) and Aneta Zlotkowska (Head of Quality). Despite these costs, of which £117,000 are not recurring, the operating loss for the first six months of the year was £596,784, a small decrease on the same period last year (2020: £599,194). This was compensated for by proceeds of £900,936 (H1 2020: £746,751) received from the disposal of shares in SkinBioTherapeutics plc ('SBTX') giving a net trading profit of £110,893. This figure does not include any change in the value of the Group's SBTX investment which has increased from £8,962,564 as of 31 December 2020, to £22,947,992 as of June 30 2021.

As at 30 June 2021, the Group had a £993,014 cash balance. Once R&D tax credits are claimed and recoverable VAT repayments are added, the balance would be £1.21m.

Board and management

We continue to evolve the management team and Board in line with the stage of the Group's development with a number of additions to the board and executive team since the start of the year. These are all part of a number of changes reflecting the transition of the Group into a commercial business and increased focus on selling final products solutions into high value markets which value science, clinical studies, and intellectual property.

Christopher Brinsmead CBE and Stephen Hammond MP joined the Board as non-executive directors at the start of the year bringing senior executive experience in the pharmaceutical, healthcare, fund management and investment banking sectors respectively. Dr Taru Jain joined OptiBiotix's management team in March 2021 to focus on business development and growing sales in the strategically important Indian and Asian markets. She has over 10 years of experience across the Indian healthcare value chain as well as primary knowledge of the demand pattern of the prescription and pharmacy over the counter (OTC) market.

René Kamminga joined as Chief Executive Officer ("CEO") of OptiBiotix Ltd, a wholly owned subsidiary of OptiBiotix Health plc in April 2021 and brings more than 25 years' experience in the sale of speciality ingredients and products. Rene joined us from the position of Vice President of Business Development and Chief Commercial Officer of the Nutraceuticals division of KD Pharma Group where he was integral in developing and delivering on a strategy of moving the business from bulk ingredients to finished product solutions. The appointment of Rene as CEO of OptiBiotix Ltd, and search for a CEO of ProBiotix Health Ltd reflects the Group's strategy in appointing experienced industry business leaders who can take ownership of the strategy, P&L responsibility, and development of the business into a highly profitable and major player in the microbiome market in the years ahead.

The Group also appointed Christopher Nother on a six-month part-time consultancy basis to support the growth of LP_{LDL}® in pharma, either as an OTC product used by itself or in combination with existing treatments (e.g. statins), or a drug biotherapeutic in markets outside the USA. Chris identified opportunities in taking OTC products like the CholBiome range into the high value evidence based pharmaceutical market and continues to work for OptiBiotix on a success fee basis.

We anticipate further additions and changes to both the executive and non-executive team in-line with the continued growth and expansion of the Group. These are likely to include a development/innovations director, a business development director for the strategically important North American market, a CEO for ProBiotix Health, and a scientific and technical support specialist. Aneta Zlotkowska, Head of Quality & Operations, will be leaving us at the end of the year as the Group completes its BRC certification.

These changes are all part of a strategy to bring in industry leaders and specialist expertise to support the Group's growth plans and capitalise on the opportunities created by our growing pipeline of products.

The Group has identified the retention and attraction of key personnel staff as a principal risk as reported in its 2020 annual report. As interest in the microbiome grows and competitor companies look to either acquire businesses or expertise this risk increases. The Group has commissioned PWC to review its existing arrangements and develop proposals to mitigate the risk and align value creation with remuneration consistent with companies on the AIM market at a similar stage of development.

Outlook

The Group is in a strong position to meet or exceed its full year sales forecast as it continues to build brand awareness and expand sales of its first-generation products whilst building the scientific and clinical evidence base needed to de-risk its innovative second-generation products. We are particularly pleased with the number of partners extending their product ranges (Optipharm, H&B) and territories (Optipharm, Seed Health) which shows confidence in the products and brand and helps to grow a recurring revenue base providing a foundation on which to build a valuable and sustainable business.

The Group has a clear direction of travel in its two-stage strategy of building brand presence and early sales of its first generation LP_{LDL}® and SlimBiome® products whilst parallel tracking the development of its more innovative second-generation products offering potentially larger returns. The strategy has been designed with the divisions acting as the commercial arms of the Group led by industry leaders focused on building sales and profitability whilst the Group acquires and develops technologies to build the product pipeline providing the scientific and clinical studies, publications and regulatory approvals. Having two separate wholly owned product legal entities within the Group plc (OptiBiotix Limited and Probiotix Health Ltd) and a substantive investment in a third, (SBTX), gives OptiBiotix shareholders a position in multiple opportunities within the emerging microbiome space. As each of these divisions grow revenues and profitability there is potential for an independent exit or separate listing as has been achieved with Skinbiotherapeutics plc (SBTX). As part of this process of building financial independence of each division and the shift towards final product solutions we are integrating consumer goods costs and sales into the divisional structures. This will give a more accurate reflection of each divisions trading position as an independent legal entity and reduce the possibility of creating conflict between B2B and B2C partners as OptiBiotix sells more final product solutions.

As we move through 2021, we will continue to grow revenues, manage costs, improve margins, and invest in extending opportunities for our first generation products markets and drive the commercialisation of our exciting second generation products with manufacturing and application partners. We will continue to explore opportunities for LP_{LDL}® in high value pharmaceutical markets, where science and clinical studies are highly valued, and extend its reach into new application areas. These include funding a PhD studentship and clinical study into the role of the microbiome in stress, anxiety, and sleep disorders with the University of Southampton and University of Trento, and continuing to develop applications for LPLDL® in dairy, which represents over 85% of the global probiotic market. We are starting to see the benefits of achieving FDA GRAS, with our partner in Uruguay, Grancha Pocha, launching a yoghurt containing LPLDL® in H2, and Sacco growing sales of LP_{LDL}® with dairy customers around the world. We see similar growth opportunities for SlimBiome® by extending the range of products containing SlimBiome® with existing and new partners, and leveraging our industry recognition as an innovator in the microbiome field by developing new applications for the health and wellbeing and the sports nutrition market.

Internationally, having established manufacturing partners in India, we anticipate commercial progress in this market in H2 2021, and potentially in other key strategic markets such as China and the USA, although these will take more time to develop fully. We are particularly focused on large companies who are leading brands in healthcare, hospitals, pharma, healthcare or E-commerce within their own country, or with our second generation products on global partners in manufacturing or producers of dairy, beverage, or consumer products who could benefit from replacing existing sugar or sweeteners with healthier options. The key partner characteristics are country recognition and a network which allows the opportunity to quickly scale up sales if the products are successful.

The continued strong growth in our revenues in H1 2021 is encouraging as the Group builds a recurring revenue base which is increasing as partners launch new products, extend territories, and build brand presence. We believe these product launches, the extension of territories with existing partners, the prospect of agreements with corporate partners in key strategic markets, the continuing flow of new agreements and product launches, the growing realisation of the development pipeline, and the strengthening of our Board and senior management with industry expertise, allows us to look forward with confidence to the further progress of the Group in the current year and beyond.

As we consider the future, we are pleased to see growing consumer and industry interest in the human microbiome presenting us with a market opportunity that is large and expanding. OptiBiotix has had over 100 items of coverage in industry journals, trade magazines, feature magazines etc to the end of August 2021. These are not always seen by investors as they are industry focused given the B2B nature of the current business but are important in establishing OptiBiotix and its products as innovators in the industry and attracting partner interest. As we shift the focus from ingredients to final product solutions we will direct our marketing efforts at the consumer and have a number of radio interviews planned throughout cholesterol month in October.

We are particularly pleased that a number of large partners have identified the presence of scientific and clinical studies and an extensive IP portfolio as key differentiating features in this evolving market, and OptiBiotix as a priority partner as they look to enter the microbiome space. The Group is ideally positioned to exploit these opportunities with first generation products which impact on major chronic lifestyle diseases, industry recognition as a key industry player in the microbiome space, and next generation products of SweetBiotix® and MM's providing a step change in existing sugar and sweeteners and the potential to modify the microbiome in a highly targeted way. Our family of SweetBiotix® products has attracted a lot of industry interest with a US partner bearing the costs for product manufacturing one type of SweetBiotix® whilst paying annual royalty fees. This is a clear indication of the precommercial value placed on this step change in technology. After a number of technical challenges we were particularly pleased to achieve progress in the first half of the year with our MM's, which should allow us to manufacture these at scale. This creates the potential to manufacture prebiotic products which can change the relative abundance of specific microbial species linked to disease. If the microbiome is the future of healthcare then the ability to precision engineer the microbiome and change the relative amounts of specific bacteria in a highly targeted way is an important step in developing products which can prevent or treat disease and/or enhance the effectiveness of existing drug treatments.

We look forward to growing sales of first generation products as we scale our business model and strengthen our position in this new and exciting area of science which has the potential to revolutionise the future of healthcare.

On behalf of everyone at OptiBiotix Health we would like to thank our investors for their continued support and look forward to an exciting future.

N Davidson and S O'Hara

Consolidated Statement of Comprehensive Income

For the six months to 30 June 2021

Continuing operations	**6 months to 30 June 2021 Unaudited £**	**6 months to 30 June 2020 Unaudited £**	**Year to 31 December 2020 Audited £**
Revenue	1,076,044	744,821	1,523,247
Cost of sales	(601,813)	(447,747)	(643,428)
Gross Profit	474,231	297,074	879,819
Share based payments	30,144	42,762	127,248
Depreciation and amortisation	144,636	120,078	247,895
Other administrative costs	896,235	733,428	1,616,069
Administrative expenses	(1,071,015)	(896,268)	(1,991,212)
Operating loss	(596,784)	(599,194)	(1,111,393)
Finance income / (costs)	(23,186)	(64,682)	(44,856)
Gain on disposal of associate	-	-	4,165,223
Gain on investments	14,165,501	-	2,955,739
Profit on disposal of investments	720,863	48,967	48,967
Share of loss from associate	-	-	(303,448)
Profit/(Loss) before Income tax	14,266,394	(614,909)	5,710,232
Income tax	2,638	9,246	91,635
Profit/(Loss) for the period	14,269,032	(605,663)	5,801,867
Other Comprehensive Income	-	-	-
Total comprehensive income for the period	14,269,032	(605,663)	5,801,867
Total comprehensive income attributable to the owners of the group	14,269,032	(605,456)	5,801,867
Non-controlling interest	-	(207)	-
	14,269,032	(605,663)	5,801,867
Earnings/(loss) per share			
Basic & Diluted - pence **4**	16.23p	(0.70)p	6.65p
Basic & Diluted before Profit on investment revaluation - pence	14.88p	(0.70)p	6.07p

Consolidated Statement of Financial Position
As at 30 June 2021

ASSETS	**Notes**	**As at 30 June 2021 Unaudited £**	**As at 30 June 2020 Unaudited £**	**As at 31 December 2020 Audited £**
Non-current assets				

Intangibles		2,726,349	2,728,393	2,735,621
Property, plant & equipment		-	393	-
Investments	**5**	22,947,992	2,395,022	8,962,564
		25,674,341	5,123,808	11,698,185
CURRENT ASSETS				
Inventories		86,323	112,726	184,236
Trade and other receivables		1,285,689	394,857	645,823
Current tax asset		115,772	226,194	310,435
Cash and cash equivalents		993,014	1,469,147	864,680
		2,480,798	2,202,924	2,005,174
TOTAL ASSETS		28,155,139	7,326,732	13,703,359
EQUITY				
Shareholders' Equity				
Called up share capital	**6**	1,758,812	1,758,812	1,758,812
Share premium		2,537,501	2,537,501	2,537,501
Share based payment reserve		897,451	782,821	867,307
Merger relief reserve		1,500,000	1,500,000	1,500,000
Convertible Loan Note Reserve		92,712	92,712	92,712
Retained Earnings		19,328,000	(1,098,381)	5,058,968
		26,114,476	5,573,465	11,815,300
Non Controlling Interest		35,782	35,576	35,782
Total Equity		26,150,258	5,609,041	11,851,082
LIABILITIES				
Current liabilities				
Trade and other payables		643,489	419,916	518,995
		643,489	419,916	518,995
Non - current liabilities				
Deferred tax liability		558,885	548,863	561,523
Borrowings		802,507	748,912	771,759
		1,361,392	1,297,775	1,333,282
TOTAL LIABILITIES		2,004,881	1,717,691	1,852,277
TOTAL EQUITY AND LIABILITIES		28,155,139	7,326,732	13,703,359

Consolidated Statement of Changes in Equity
For six months to 30 June 2021

	Called up Share Capital	Share premium	Share-based Payment reserve	Non controlling Interest	Merger Relief Reserve	Retained Earnings	Convertible Loan note	Total Equity
	£	£	£	£	£	£	£	£
Balance at 31 December 2019	1,708,811	1,646,873	740,059	35,782	1,500,000	(492,925)	92,712	5,231,312
Loss for the period	-	-	-	-	-	(605,456)	-	(605,456)
Issued share during the period	50,001	890,628	-	-	-	-	-	940,629
Share based payment	-	-	42,762	-	-	-	-	42,762
Non Controlling interest	-	-	-	(206)	-	-		(206)
Balance at 30 June 2020	1,758,812	2,537,501	782,821	35,576	1,500,000	(1,098,381)	92,712	5,609,041
Non Controlling Interest	-	-	-	206	-	-	-	206
Profit for the period	-	-	-	-	-	6,157,349	-	6,157,349
share based payment	-	-	84,486	-	-	-	-	84,486

Balance at 31 December 2020	1,758,812	2,537,501	867,307	35,782	1,500,000	5,058,968	92,712	11,851,082
Profit for the period	-	-	-	-	-	14,269,032	-	14,269,032
share based payment	-	-	30,144	-	-	-	-	30,144
Balance at 30 June 2021	1,758,812	2,537,501	897,451	35,782	1,500,000	19,328,000	92,712	26,150,258

Consolidated Statement of Cash Flows
For the six months to 30 June 2021

	Notes	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2020 Unaudited £	Year to 31 December 2020 Audited £
Reconciliation of loss before income tax to cash outflow from operations				
Operating loss		(596,784)	(599,194)	(1,111,393)
Decrease/ (Increase) in inventories		97,913	(49,965)	(121,475)
(Increase)/decrease in trade and other receivables		(639,866)	212,451	(37,190)
(Decrease)/increase in trade and other payables		124,494	(141,707)	(42,630)
Share Option expense		30,144	42,762	127,248
Depreciation		-	-	393
Amortisation of patents		144,636	120,078	247,502
Net foreign exchange differences		6,511	-	9,484
Net cash outflow from operations		(832,952)	(415,575)	(928,061)
Interest received		63	52	98
Tax received		194,663	-	-
Net cash outflow from operating activities		(638,226)	(415,523)	(927,963)
Cash flows from investing activities				
Purchase of intangible assets		(134,376)	(215,693)	(350,345)
Net cash (outflow)/inflow from investing activities		(134,376)	(215,693)	(350,345)
Cash flows from financing activities				
Share issues		-	898,004	940,629
Disposal of Investments		900,936	746,751	746,751
Net cash inflow from financing activities		900,936	1,644,755	1,687,380
Increase/(decrease) in cash and equivalents		128,334	1,013,539	409,072
Cash and cash equivalents at beginning of year		864,680	455,608	455,608
Cash and cash equivalents at end of year		993,014	1,469,147	864,680

Notes to the Half Yearly Report

For the six months to 30 June 2021

1. General Information

Optibiotix Health Plc is a company incorporated and domiciled in England and Wales. The company's offices are in York. The company is listed on the AIM market of the London Stock Exchange (ticker: OPTI).

The financial information set out in this Half Yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2020, prepared under International Financial Reporting Standards ("IFRS"), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Sections 498(2) and 498 (3) of the Companies Act 2006.

Copies of the annual statutory accounts and the Half Yearly report can be found on the Company's website at http://www.optibiotix.com/.

2. Basis of preparation and significant accounting policies

This Half Yearly report has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2020.

3. Segmental Reporting

In the opinion of the directors, the Group has one class of business, in three geographical areas being that of identifying and developing microbial strains, compounds and formulations for use in the nutraceutical industry. The Group sells into three highly interconnected markets, all costs assets and liabilities are derived from the UK location.

Revenue analysed by market

	Period ended 30 June 2021 £	Period ended 30 June 2020 £	Year ended 31 December 2020 £
Probiotics	536,225	403,317	821,126
Functional Fibres	539,819	341,504	702,121
	1,076,044	744,821	1,523,247

Revenue analysed by geographical market

	Period ended 30 June	Period ended 30 June	Year ended

	2021	2020	31 December 2020
	£	£	£
UK	309,493	271,013	369,892
US	408,366	117,220	654,524
International	358,185	356,588	498,831
	1,076,044	744,821	1,523,247

During the reporting period one customer represented £408,366 (37.9%) of Group revenues. (June 2020: one customer generated £108,560 representing 14.5% of Group revenues)

4. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	6 Months to 30 June 2021 Unaudited	6 Months to 30 June 2020 Unaudited	Year to 31 December 2020 Audited
Basic			
Earnings attributable to ordinary shareholders	14,269,032	(605,663)	5,801,867
Weighted average number of shares	87,940,601	86,379,784	87,207,703
Earnings (Loss) per-share - pence	16.23p	(0.70)p	6.65p
Diluted			
Earnings attributable to ordinary shareholders	14,269,032	(605,663)	5,801,867
Weighted average number of shares	95,902,844	86,379,784	95,569,946
Earnings/(Loss) per-share - pence	14.88p	(0.70)p	6.07p

As at 30 June 2021 there were 7,632,907 outstanding share options and 329,336 outstanding share warrants.

5. Investments

Available for sale investments

Carrying value	**£**

At 31 December 2019	2,842,834
Revaluations	7,120,962
Share of loss	(303,448)
Disposal of shares during the period	(697,784)
Carrying amount	
At 31 December 2020	8,962,564
Revaluations	14,165,501
Disposal of shares during the period	(180,073)
Carrying amount	
At 30 June 2021	22,947,992

6. Share Capital

Issued share capital comprises:

	6 months to 30 June 2021 Unaudited £	**6 months to 30 June 2020 Unaudited** £	**Year to 31 December 2020 Audited** £
Ordinary shares of 2p each 87,940,601	1,758,812	1,758,812	1,758,812
	1,758,812	1,758,812	1,758,812

7. Post balance sheet events

No post balance sheet events.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', "should" ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''potentially'', "expect", ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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