

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

Formation of OptiBiotix Health India

OptiBiotix Health plc (AIM: OPTI), a life sciences business developing compounds that modulate the microbiome to tackle metabolic syndrome, systemic low grade inflammation, obesity and diabetes, cardiovascular disease and high cholesterol, announces the formation of its new Indian subsidiary, OptiBiotix Health India Ltd ("OHI").

With a population of 1.3 billion people and cardiovascular disease accounting for up to 27% of all deaths (WHO) and obesity prevalence at 40.3% (<https://journals.sagepub.com/doi/full/10.1177/0972753120987465>). India is a market of great strategic importance to OptiBiotix. The formation of OHI allows significant opportunities for additional revenue growth through sales of the Group's products in India. The middle-class population in India is expected to reach 475 million by 2030. Currently most middle-class consumers live in the European Union (EU) and the United States, but over the next decade, the majority will shift heavily toward India, with one in four global middle-class consumers expected to reside in India by 2035 <https://www.asianstudies.org/publications/ea/archives/the-middle-class-in-india-from-1947-to-the-present-and-beyond/>.

The nutraceuticals market in India is expected to grow from \$4 billion in 2017 to \$18 billion in 2025 against the backdrop of rising demand for dietary supplements from upper and middle class <https://www.investindia.gov.in/team-india-blogs/growing-nutraceuticals-market-india>.

In March 2021, OptiBiotix announced the appointment of Dr Taru Jain to focus on business development and growing sales in the strategically important Indian and Asian markets. The formation of OHI builds on that presence and is expected to bring the following benefits:-

- OHI will be able to manage the purchase and sale of ingredients (e.g. LPLDL®, SlimBiome®) and final product (e.g. CholBiome® range, GoFigure®) manufactured and sold in India increasing operational efficiency and partner engagement. This is highly challenging without a physical presence in India
- OHI will buy ingredients from its ingredients manufacturers, sell to product manufacturers, and then buy and sell final product through partners, deriving value from all parts of the supply chain
- We anticipate this will result in greater sales at improved margins and if successful make a significant contribution to revenue growth. The ability to sell both ingredient and final product leads to a double impact

on revenues and will allow OptiBiotix to protect its brands from the risk of commoditisation

- OHI will be able to benefit from reduced or negligible import, export, and General Sales Taxes which would be charged in the absence of a local company presence.

The formation of OHI allows OptiBiotix to migrate existing profit-sharing agreements (RNS:7 January 2019, 16 May 2018) to manufacture and supply agreements. This allows the Company to manage and extract value from all areas of the supply chain to better exploit the market opportunity India represents.

Stephen OHara, CEO of OptiBiotix Health plc, commented: *"We are pleased to announce the setting up of a subsidiary in India, a country we have identified as of strategic importance for its high growth potential and access to Asian markets. This is all part of our plans to grow sales, margins, and product ranges with new and existing partners in key strategic markets. Establishing a physical presence allows us to maximise the potential opportunity in this market and and if successful make a significant contribution to future sales growth."*

The Directors of the Company are responsible for the release of this announcement.

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