RNS Number : 6987X
OptiBiotix Health PLC
07 January 2022

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

Issue of options

OptiBiotix Health plc (AIM: OPTI) (the "Company"), a life sciences business developing compounds to tackle obesity, high cholesterol, diabetes and skincare, announces that its Remuneration Committee has approved the cancelling of existing share options and award of nominal value options, which are exercisable at 2 pence per share (being the nominal value of the Company's shares) ("Nominal Value Options"), over a reduced number of shares to certain employees and non-executive directors of the Company. Existing performance criteria including revenue, profitability, and the commercial launch targets for SweetBiotix and Microbiome modulators remain.

These proposed changes will result in a reduction of options over 400,000 new ordinary shares. In addition, the Company will issue an additional 50,000 Nominal Value Options each to Christopher Brinsmead and Stephen Hammond, Non-Executive Directors of the Company.

The Company identified that the retention and attraction of key personnel staff as a principal risk factor for the Company in its 2020 annual report and in its 2021 Half-Yearly Report as announced on 30 September 2021. Recruitment searches during 2021 identified a substantial gap in base salaries and bonuses paid by OptiBiotix compared to industry competitors which have impacted on the Company's ability to recruit and retain experienced people to the senior management team. As interest in the microbiome grows and competitor companies look to either acquire skills and commercial expertise in this area, the risk of not being able to attract and retain key staff increases.

To mitigate this risk, the Remuneration Committee commissioned Pricewaterhouse Cooper (PwC), to review existing remuneration arrangements and develop proposals to reduce the identified risk and align value creation with remuneration consistent with companies on the AIM market at a similar stage of development. Their review concluded that replacing market value options with nominal value options would provide a more effective incentive and retention mechanism for employees as well as reducing the overall number of shares under option.

The Company has agreed with a number of option holders to surrender their existing options in return for Nominal Value Options over half the number of shares of their existing options, which will be subject to a combination of performance and time-based vesting criteria. Performance criteria include revenue, profitability targets, and the commercial launch of SweetBiotix and Microbiome modulators, with option holders only

able to exercise their options once the performance criteria have been met. This ensures a continued focus on commercial revenues and shareholder value creation. New options will be granted on a similar basis going forward. Options granted to non-executive directors will be subject to time-based vesting. The options granted to Stephen O'Hara, CEO of the Company, in September 2014 will not be affected by these changes.

Details of the option changes for the relevant parties are set out in the table below:-

Individual	No. of existing Options cancelled	Exercise Price	New Nominal Value Options granted
Sofia Kolida	165,000	73p	82,500
Neil Davidson	385,000	73p	192,500
Sean Christie	100,000	95p	50,000
Other employees	150,000	57p	75,000
Christopher Brinsmead	Nil	N/A	50,000
Stephen Hammond	Nil	N/A	50,000
Total Options	**800,000**		**500,000**

These changes will result in the number of options held by existing option holders reducing from 800,000 to 400,000.

Chris Brinsmead, Chairman of the Remuneration Committee commented: "The Company has lost a number of key staff to industry competitors offering salaries 3-4 times that offered by OptiBiotix. Share options form a key part of a company's ability to attract and retain key staff who will deliver shareholder value, particularly in today's competitive marketplace for talent. The changes to the Company's share option arrangements make it better placed to incentivise and retain staff with no additional cash cost for the business and a 50% reduction in the numbers of shares under option held by existing option holders of 400,000 reducing dilution providing enhanced shareholder value."

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.

For further information, please contact:

OptiBiotix Health plc www.optibiotix.com
Stephen O'Hara, Chief Executive *Contact via Walbrook below*

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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.

Notification of a Transaction pursuant to Article 19(1) of Regulation (EU) No. 596/2014		
1	**Details of the person discharging managerial responsibilities/person closely associated**	
a.	Name	1) Sofia Kolida 2) Neil Davidson 3) Sean Christie 4) Christopher Brinsmead 5) Stephen Hammond
2	**Reason for notification**	
a.	Position/Status	1) Research & Development Director 2) Chairman 3) Non-Executive Director 4) Non-Executive Director 5) Non-Executive Director
b.	Initial notification/ Amendment	Initial Notification
3	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a.	Name	OptiBiotix Health Plc

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>b.</td><td>LEI</td><td>213800UKYQFT941QHS14</td></tr>
<tr><td>4</td><td colspan="2">Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</td></tr>
<tr><td>a.</td><td>Description of the financial instrument, type of instrument

Identification Code</td><td>Options over Ordinary Shares of nominal value 2p

ISIN: GB00BP0RTP38</td></tr>
<tr><td>b.</td><td>Nature of the transaction</td><td>Issue of options</td></tr>
<tr><td>c.</td><td>Price(s) and volume(s)</td><td><table><tr><td>Price(s) per share</td><td>Volume(s)</td></tr><tr><td>2p</td><td>82,500</td></tr><tr><td>2p</td><td>192,500</td></tr><tr><td>2p</td><td>50,000</td></tr><tr><td>2p</td><td>50,000</td></tr><tr><td>2p</td><td>50,000</td></tr></table></td></tr>
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- Volume
- Price</td><td>1. N/A single transaction
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4. N/A single transaction
5. N/A single transaction</td></tr>
<tr><td>e.</td><td>Date of the transaction</td><td>6 January 2022</td></tr>
<tr><td>f.</td><td>Place of the transaction</td><td>Off market</td></tr>
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