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

Commercial and strategy update

OptiBiotix Health plc (AIM: OPTI), a life sciences business developing compounds to tackle obesity, high cholesterol, diabetes and skincare, provides a strategic and commercial update.

The Company's strategy is to sell its products globally through a mix of smaller, quick to market partners, and larger partners who typically enter the market once product credibility is established. This strategy is supported by scientific publications in peer reviewed journals, conference presentations and industry awards which builds industry credibility, brand presence, and provide valuable marketing assets to support sales. The Company continues its focus on growing sales of its first-generation functional ingredients LP_{LDL}®, SlimBiome®, OptiBiome® and LeanBiome™ whilst it develops its pipeline of second-generation products. The Company now has a solid foundation having built a recurring revenue base from business to business (B2B) sales of its first-generation ingredients. This has delivered profitable independent trading divisions and a healthy balance sheet placing the Company in a strong position for sustained growth in the years ahead.

The next phase of the Company's strategy is to expand the Group's capabilities by reinvesting proceeds from the recent sale of shares held in SkinBioTherapeutics plc, which generated approximately £2 million. These funds have provided growth capital to broaden and expand the Group's sales and marketing team, accelerate new product development, increase marketing spend and explore direct to consumer channels in strategic markets. These funds also allow the Company to invest in acquiring new technologies to create a future pipeline of products. This supplements existing plans for expanding product ranges into sports nutrition (LeanBiome™) and healthy ageing (WellBiome®), extending SlimBiome®, OptiBiome®, and LP_{LDL}® product lines and territories, increasing the number of larger partners, and growing gross profit by moving up the value chain to sell a greater portion of finalised products than functional ingredients.

The Company expects to release a separate financial update and forecast in the upcoming weeks. This update is intended to report progress against that strategy:

Commercial update: The Company signed three deals with market leading partners in December 2021, being The Hut Group ("THG"), Apollo Hospitals and Nahdi Medical. THG launched LeanBiome™ in its Impact Diet Lean product in January as part of its My Protein range with territorial expansion across Europe, Asia, and the USA planned throughout the year. The in-house launch of GoFigure products with Apollo Hospitals is expected to take place in H1 and will progressively expand to other stores as well as online. Nahdi Medical plan to launch seven products Gofigure® / SlimBiome® Medical products in H1. OptiBiotix products are now increasingly becoming associated with internationally recognised retail, pharmaceutical partners and established brands.

The Group' ambition is to secure eight to ten large national or international partners for first-generation products and two to three partners for each of the second-generation technologies. This is expected to give the Company a presence in markets of strategic interest and a level of contingency as partners change over time.

Scientific Update: The Company has a total of 25 publications, eight in peer reviewed journals and 17 posters/conference abstracts, with another nine publications (three SweetBiotix, four microbiome modulators, one Slimbiome, and one LP_{LDL}®) in various stages of submission. Scientific and clinical studies promote the Company's products and when supported by patents and trademarks are seen as key differentiating features by large partners. Such studies help to underpin OptiBiotix's position as an industry leader in the microbiome space and one of the few microbiome companies to translate microbiome science into commercial products and sales growth. The Company will be investing more in its science during 2022 as it expands the use of its products into new areas of health (e.g. stress, anxiety, diabetes) and acquires or in-licenses new technology to further develop its pipeline of opportunities and maintain its position as a leader in the microbiome space.

The recently published study on LP_{LDL}® is a good example of how OptiBiotix has developed a unique probiotic for cardiovascular health, an area outside traditional probiotic gut health and general wellbeing areas. This study showed a large and statistically significant reduction in LDL-C (bad) cholesterol and Apolipoprotein B (widely accepted as the most important causal agent of atherosclerotic cardiovascular disease). The results of this and other studies with LP_{LDL}®, suggest efficacy similar to many statins and treatments more typically associated with pharmaceuticals and a potential role in the use of probiotics like LP_{LDL}® in individuals who are unwilling or unable to tolerate existing treatments. The Company believes these findings are unique for a probiotic and now has evidence comparable to phase 1-2 pharmaceutical studies opening up further partnering or out licensing

opportunities 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.

The result of this study is being supported by animations (see LPLDL® - The Probiotic That Supports Cardiovascular Health - YouTube), videos (Lactobacillus plantarum LPLDL Showcases Statistically Significant Reductions In 'Bad' Cholesterol - YouTube) and a series of radio interviews by Dr Ranj Singh, a doctor, television presenter, and author (see https://www.listennotes.com/podcasts/modern-mindset/279-dr-ranj-singh-on-GIg7hz9x-6U/ . This is all part of a greater investment in sales and marketing post Covid-19 as we look to increase final product recognition and sales. The Company anticipates increased media coverage and scientific publications in 2022.

Sales and Marketing: As part of the increased investment in sales and marketing, the Company is establishing a sales infrastructure for its B2B ingredients in the USA and investing in growing e-commerce sales for its D2C brands in Europe and Asia. The Company views D2C brands as a significant growth opportunity for its products and is exploring inhouse and outhouse solutions in different markets.

In support of this investment the Company has appointed Karl Burkitt as Director of Marketing on a consultancy basis. Karl was Director of Marketing at divisions of AB Foods, Kerry Foods and Novartis Consumer Health. The Company is in discussions to appoint a Managing Director for ProBiotix Health Limited, a direct to consumer (D2C) business manager, a business development director for the strategically important North American market, and a Marketing manager. Discussions have been taking place since late 2021 and we expect to be announcing details of appointments in the next few weeks. This complements the recent addition of a scientific and technical support specialist, Christopher Stephenson, and the appointment of Paul Cannings as Head of Operations and Quality in January 2022.

Steven Riley, OptiBiotix's Director of Marketing and Consumer Sales, will leave the Company at the end of February. Steven has been a valuable member of the team and the board would like to express their thanks for all his work in building OptiBiotix's brands and developing the Consumer Health side of the business.

New Product Development: The Company has expanded its first-generation products to include LeanBiome™, a scientifically formulated sports nutrition ingredient developed to support athletes increase lean muscle mass and change their body composition. LeanBiome™ contains a patented combination of fibres, prebiotics and minerals aimed at supporting the microbiome diversity of athletes on a high protein diet. This is a new opportunity in a market where LeanBiome™ adds differentiation to existing protein products and builds on the growing scientific evidence of an

anecdotal link between the microbiome and athletic performance (Do microbes affect athletic performance? (nature.com).

The Company has reformulated 'WellBiome®' with new ingredients allowing new health claims. WellBiome® will form the basis of a science backed health and wellness platform with a range of products to improve cognitive, immune, bone, digestive, and cardiovascular health to support 'healthy ageing'.

SweetBiotix®: There has been good progress from the Company's US manufacturing partner who have successfully manufactured SweetBiotix using an industrial scale process. The partner is now optimising yields and reducing wastage. This is a significant step in the commercialisation of SweetBiotix® with the partner bearing the costs of manufacturing scaleup of one type of SweetBiotix® whilst paying annual royalty fees.

OptiBiotix is also working with a second partner, one of the world's leading companies in taste and sweetness on jointly scaling up and commercialising another group of SweetBiotix products. There is a good relationship with this partner and overlapping strategic intent to combine world leading taste and sweetness expertise with OptiBiotix's prebiotic knowhow and valued IP portfolio in the microbiome space. The Company believe that a deal is likely to be achieved.

Microbiome Modulators (MM's): The Company has developed an innovative approach to allow it to precision engineer the microbiome. This is one of the most exciting areas of microbiome therapeutics as it creates the potential for targeted treatment of a range of human diseases. The Company has demonstrated it can selectively enhance a probiotic and enhance its health benefit demonstrating proof of concept for using MM's as a microbiome therapeutic. Development work was impacted by COVID reducing access to Universities and CRO's in 2020 and early 2021. This work has now progressed and we are pleased to report the Company has produced microbiome modulators using a process suitable for industrial scale up. Work is ongoing to optimise the process and test whether the functionality has been retained before initiating full scale up and commercialisation. This is a really exciting area of development which if successful, the Company believes could revolutionise the use of the microbiome therapies in healthcare. The Company will be increasing its investment in Microbiome Modulators to accelerate the development activities taking place.

Investor update: The Company has increased its investor activity with the re-engagement of Proactive Investors, the continued use of the Investor Meet Company for more substantive news, and positive features in The Daily Mail and This is Money. This is being paralleled with regular meets with Institutional Investors and a Capital Markets day with a number of Institutional Investors in February. The Company is setting up podcasts to

directly respond to investor questions and address misinformation on many BB's. Investors can submit questions to Investor@optibiotix.com. These will be collated and form the basis of themed podcasts throughout the year.

2020 and 2021 have been difficult years for many companies with an unprecedented trading environment created by COVID-19. Despite the challenges OptiBiotix reported year on year revenue growth of 104% in 2020 , as well as 44.5% growth in H1 2021 compared to H1 2020. It also succeeded in its stated aims of attracting a number of larger partners, achieved Health Canada and BRC accreditation, won the award for best weight management product in the USA, created a new subsidiary in India, and added significant commercial expertise to its team. With more large partners, new product platforms in new markets, extensions of product lines and territories with existing partners, a greater focus on D2C, and greater investment in sales and marketing 2022 should be a year of strong growth.

Stephen O'Hara, CEO of OptiBiotix Health plc commented: *"This strategic and commercial update demonstrates the strong progress OptiBiotix has made against its stated aims. We are particularly pleased at concluding three commercial agreements at the end of 2021 with well-known national and international partners which create the potential for volume sales and help enhance the reputation of OptiBiotix and its products around the world. We believe new product launches in 2022, the extension of territories with existing partners, new product platforms, and the commercial 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."*

This announcement contains 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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