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OptiBiotix Health PLC
28 September 2022

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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, diabetes and skincare, announces its results for the six months ended 30 June 2022.

Highlights

- Successful admission of ProBiotix Health plc on the AQSE Growth Market on 31 March 2022, providing OptiBiotix shareholders with a dividend *in specie* of over £10.2m
- Substantial strengthening of the senior commercial management team to drive future business growth
- Lower than expected first half revenues caused by delays in restocking by certain large partners and in securing regulatory approval for some planned product launches
- Improved sales performance post period with product launches by Apollo Pharmacies in India and restocking by some partners with sales normalising but insufficient to make up the H1 deficit
- A substantial increase in the value of the Group's holding resulting in a Group net profit for the period of £13.9m (2021: £14.2m)
- A healthy balance sheet with gross assets of £22.4m
- Entry into sports nutrition market with The Hut Group with the launch of LeanBiome®
- Launch of reformulated WellBiome® functional fibre and mineral blend to support healthy ageing
- Publication of a peer-reviewed scientific study of one of our second-generation SweetBiotix® products, confirming its suitability as a healthy replacement for sugar
- Conclusion of a joint development agreement with Firmenich, the world's largest privately owned taste and fragrance company, to develop new products containing SweetBiotix®
- Significant scientific and commercial progress in the development of second-generation microbiome modulators
- Good progress in the development of OptiBiotix Health India

Post Period

- The launch of the GoFigure® product range in India with Apollo Pharmacies
- An agreement with Nutraconnect to help accelerate the commercialisation of products in the Asia Pacific ("APAC") Region.

- An exclusive distribution agreement with Longlive to distribute xylooligosaccharide ("XOS") prebiotic into the human nutrition markets (foods & beverages and supplements) in Europe and Africa as OptiXOS

Stephen O'Hara, CEO of OptiBiotix, commented: "*Since the beginning of 2022 we have invested in the strengthening of our senior management team and focused on expanding our portfolio of larger business partners and increasing sales of our finished products direct to consumers, so building a more robust business for the future. We expect to see a return on this investment in the second half and beyond.*

"As part of this process we are expanding our first-generation family of functional ingredients into new channels with the launch of LeanBiome® and WellBiome® and are making good progress commercialising our second-generation SweetBiotix® products. We are also making significant scientific and commercial progress in the development of our prebiotic microbiome modulators, which give us access to one of the most exciting areas of opportunity in the microbiome space.

"In line with our strategy of delivering multiple opportunities to investors, we retain significant exposure to the considerable growth potential in probiotics and skincare through the Group's shareholdings in ProBiotix Health plc and SkinBiotherapeutics plc.

"We are confident that our strategy will deliver an improved sales performance in the second half of the year, and even more strongly in 2023, and look forward to demonstrating the long-term growth potential of the Group."

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 reporting on a period of very substantial change for the Group, reflecting the admission of our formerly wholly owned probiotic subsidiary ProBiotix Health plc ("ProBiotix Health") to trading on the AQSE Growth Market on 31 March 2022. This rewarded Group shareholders with a dividend *in specie* of approximately £10.24m, while raising £2.5m to accelerate the development of ProBiotix Health. The Group retains a 44% shareholding in ProBiotix Health, with a market value of circa £25m as at 30 June 2022, while OptiBiotix shareholders continuing to own approximately 44% of the ProBiotix business (£11m). The Company's combined holdings in SkinBiotherapeutics and ProBiotix Health were valued at £18m as of June 30th 2022.

These results are for the Group's new structure following the listing of ProBiotix Health plc ("PBX") on the AQSE Growth Market in March 2022. The listing of PBX on AQSE means that PBX is now considered an associate for accounting purposes with its revenues and costs removed post listing and only OptiBiotix's (44%) proportion of its profit and loss included in the Company's accounts. This makes year on year comparisons challenging.
As noted in the annual report, the Group's strategic move to focus on fewer and larger business partners has resulted in a change in the pattern of customer demand, as a result of which we always expected to receive fewer but much larger orders for our products than in the past, with timing differences in the placement of orders temporarily affecting future financial results.

This change has been reflected in a substantial reduction in the turnover of our continuing prebiotic business, OptiBiotix Ltd, compared with the first half last year, as uncertain global market conditions led some major partners to delay restocking, while planned product launches with our new major partners Apollo Hospitals and Nahdi Medical were delayed until the second half owing to slower than expected progress in them securing regulatory approvals. Post period Apollo have launched in pharmacy stores in major cities across India.

We are working hard to broaden our customer base by building new partnerships with larger companies, particularly in the USA, which is expected to progressively mitigate the revenue risks associated with timing differences and launch delays in future financial periods. The growth in direct to consumer online sales will also help to smooth fluctuations in the timings of when customers reorder stock.

Strategic overview

OptiBiotix Health is a life sciences business founded on the development of probiotic and prebiotic compounds to tackle obesity, cardiovascular disease, diabetes and skincare: all markets offering strong growth potential in every part of the world. The Company has built a broad portfolio of microbiome assets in this field including skincare through SkinBiotherapeutics and probiotics, through ProBiotix Health plc. These create a diverse portfolio of opportunities in an emerging area of healthcare.

The first phase of our two-stage growth strategy, designed to lower the Group's risk profile, was to establish the credibility of our science and brands through an initial focus on building sales of our first-generation products (principally LP_{LDL}® in probiotics and SlimBiome® in prebiotics) though business-to-business deals with partners in multiple territories around the world, with an initial focus on Europe, while at the same time pursuing the development of our more innovative second-generation products that offer potentially larger future returns. This has allowed us to report profitable trading positions in in each of our prebiotic and probiotic businesses for the last two years.

In spring 2021 we appointed René Kamminga as CEO of the prebiotics business and subsequently to the plc Company board in July 2022. We added to our senior team in spring 2022 to deliver an increasing emphasis on the key objectives in the second phase of our strategic development. These include: -

- Focusing on a smaller number of large partners in key strategic markets, particularly the USA and Asia;
- Improving our sales mix and margins by moving increasingly from ingredient sales to the sale of finished products, both through larger partners and direct-to-consumer through our own online store and other outlets such as TMall.com in Asia;
- Expanding our first-generation product portfolio of functional ingredients by extending our technology into new channels such as sports nutrition with LeanBiome® and new product areas such as WellBiome®;
- Progressing the commercialisation of our second-generation products, SweetBiotix® and Microbiome Modulators;
- Working progressively to broaden our range of larger business partners, to secure increased volume sales, extend geographical reach, and reduce revenue dependency of a limited range of partners.

As we have previously stated, this strategy gives our shareholders exposure to multiple opportunities within the emerging human microbiome space and affords the potential to deliver additional value through separate public listing of our divisions, as we have accomplished since the beginning of the new financial year with the admission of ProBiotix Health to trading on the AQSE Growth Market.

All these actions increase the scale of the opportunity within OptiBiotix and our ability to deliver sustained growth for shareholders in the years ahead.

Commercial and scientific overview

Since the beginning of the current financial year we have announced:

- The achievement of British Retail Consortium accreditation, confirming our compliance with the Global Food Safety Initiative ('GFSI') benchmark. This certification by one of the leading international food safety standards, accepted by most large retailers and their suppliers worldwide, is an important support to our commercial strategy of increasing our sales of final product solutions to partners in the retail channel.

- Our entry into the sports nutrition market with the launch of LeanBiome®, a scientifically supported blend of dietary and prebiotic fibres and a trace mineral, developed to support athletes increase lean muscle mass and to improve metabolism, gut health and satiety. Our distribution agreement with leading e-commerce retailer The Hut Group, signed in December 2021, saw LeanBiome® launched in January 2022 with its Impact Diet Lean product as part of its My Protein range in the UK and at the end of H1 with a breakfast smoothie.

- Publication of a third human volunteer study on the clinical efficacy of LP_{LDL}®, demonstrating through a placebo-controlled trial that LP_{LDL}® delivered large and statistically significant reductions in total cholesterol, LDL-C (bad) cholesterol and Apolipoprotein B (widely accepted as the most important causal agent of atherosclerotic cardiovascular disease), with no compliance, tolerance or safety issues. The results of this and other studies suggest efficacy similar to low level statins and other treatments more typically associated with pharmaceuticals, suggesting potential in high value pharmaceutical markets for the use of LP_{LDL}® in individuals who are unwilling or unable to tolerate other treatments.

- Publication of a consumer study undertaken among purchasers from our own e-commerce website of CholBiome^{x3}, our proprietary food supplement containing LP_{LDL}®, which confirmed its effectiveness in reducing cholesterol with no reports of side-effects or any tolerance issues.

- Admission of ProBiotix Health plc to the AQSE Growth Market on 31 March 2022, raising £2.5m for the further development of our former Probiotic subsidiary through a placing and subscription of new shares, while giving our own shareholders a dividend *in specie* of 0.554673 ProBiotix share for every OptiBiotix Health share held.

- The subsequent appointment of Steen Andersen as Chief Executive Officer of ProBiotix Health plc, as part of our long-planned strategy to appoint experienced commercial leaders to run each part of the business. This allows the Group CEO to focus on identifying and developing the new technologies that will provide the Group with a continuing pipeline of products to deliver future growth and market value.

- Good progress in the development of OptiBiotix Health India, the new subsidiary whose formation we announced in November 2021. This gives us much improved access to a very large, rapidly growing and increasingly prosperous market of 1.3bn people. India is expected to account for the majority of the world's middle-class consumers by 2035. With high levels of cardiovascular disease and obesity already prevalent in the country, we see excellent opportunities to improve engagement with our local manufacturing partners and to develop sales of both ingredients and higher-margin final products in the years ahead.

- The soft launch at the IFT Expo in Chicago of our reformulated WellBiome® functional fibre and mineral blend, which contains new ingredients that allow us to make US and European on-pack health claims for its benefits to heart, bone, cognitive and metabolic health in support of healthy ageing.

- Certification of LeanBiome® as an Informed Ingredient for Sports Nutrition: an important industry certification demonstrating through rigorous independent testing by an authorised body that it is free from substances that are banned in sport. This is a significant step in attracting major sports nutrition companies to incorporate LeanBiome® in their products.

- Development of new low calorie, high prebiotic extruded fibre puffs, designed to make users feel full for longer and to reduce food cravings as an extension of our SlimBiome® and LeanBiome® ranges. Following successful taste testing of four flavours of these puffs, they will be launched online direct to consumers and with partners later in the year.

- Publication of a peer-reviewed study of one of our SweetBiotix® products confirming its sweetness, bulking and prebiotic fibre properties and concluding it could be an innovative, healthy substitute for sugar in a range of everyday products. This is one of a family of second-generation SweetBiotix® products developed for different applications in food, beverages and dairy products, based on the concept of creating a sweet fibre that has a low glycaemic index which enhances the microbiome, and represents a step- change from existing products on the market or, to the best of our knowledge and partner discussions, known to be under development. Independent scientific confirmation of SweetBiotix® by leading scientists in the field is key to creating interest and industry credibility and provides important marketing materials for commercial launches.

- Conclusion of a new joint development agreement with Firmenich, the world's largest privately owned taste and fragrance company, and the world's largest supplier of Stevia, to develop new products containing our second generation SweetBiotix® compound, in return for sales-based milestone and royalty payments. We see this area progressing at pace and believe that the recent scientific publication and the deal with Firmenich, which is merging with DSM, the world's largest ingredients supplier, to create a NewCo with a US $11.4bn turnover, are major steps forward in bringing SweetBiotix® to market.

- Continued work with large corporate partners to develop further SweetBiotix® applications for foods and beverages. Our aim is to build a broad range of products suitable for a wide range of application areas which can meet the needs of multiple partners, on applications as diverse as dairy, cereals, and hot and cold beverages, that will broaden the scale of the opportunity for our investors.

- Significant scientific and commercial progress in the development of our microbiome modulators: a range of second-generation products which selectively enhance the growth rate of specific types of bacteria and create the potential for targeted treatment of a range of human diseases. We have developed an innovative approach to allow us to precision engineer the microbiome to selectively increase the growth and biological activity of a range of bacteria using precision prebiotics, creating the potential to revolutionise the use of the microbiome therapies in healthcare. This is one of the most exciting areas of

opportunity in the microbiome space. During the period we made a presentation at an international conference of a new approach which allows us to manufacture at scale through the identification, sequencing and production of an enzyme which generates the prebiotic in large amounts. This is a major step forward in the commercialisation process which has enhanced the commercial appeal of these products to corporate partners and has already led to early discussions with a large US corporate partner on commercialising a range of these products as high value special ingredients.

Results

OptiBiotix results for six months ended 30 June 2022 are set out below. These results are for the Group's new structure following the listing of ProBiotix Health plc ("PBX") on the AQSE Growth Market in March 2022. The listing of PBX on AQSE means that PBX is now considered an associate for accounting purposes with its revenues and costs removed post listing and only OptiBiotix's (44%) proportion of its profit and loss included in the Company's accounts. This makes year on year comparisons challenging.

The results show revenue from continuing operations for the six months of £118,898 (2021: Combined sales of £1,076,044), reflecting the separate admission of ProBiotix Health and delays in the placement of orders by our new larger partners, as the uncertain economic environment caused some hesitancy in restocking, and slowness in securing regulatory approvals led to some planned new product launches being deferred until the second half of 2022. Post period Apollo Hospitals launched a range of GoFigure products in September 2022.

As in previous years, there was no contribution in this period from licence or royalty payments which tend to be received in the second half of the year.

Administrative expenses were £1,109,311 (2021: £1,071,015) which includes ProBiotix costs to the end of March 2022 and a number of one off prelisting and recruitment expenses. Staffing costs increased reflecting the additions to the team in H1 but should moderate under a shared service agreement which allocates costs between ProBiotix and OptiBiotix companies equally or according to usage if materially different.

The listing of ProBiotix on AQSE has created a previously unrecognised asset allowing the Company to report a circa £13.9m profit largely from the gain on this investment offset by a loss on revaluation of the SkinBioTherapeutics plc shares. The Company has a healthy balance sheet with gross assets of £22.4m (H1 2021: £28m) with circa £1.5m (H1 2021: £993K) cash at the end of June 2022. Once R&D tax credits are claimed and recoverable VAT repayments are added, the balance will be £1.98m (2021: £1.21m).

Board and management

René Kamminga was appointed a Director of the Group on 1 July 2022 following his appointment as Chief Executive Officer of our prebiotic business, OptiBiotix Ltd, in March 2021. René is now focusing on the key objectives of expanding our product range, increasing the number of larger partners, growing sales and building a profitable business.

As noted in the annual report, we made a number of senior appointments in the early part of the financial year, almost doubling the size of the team to support business growth. These will

contribute to the development of both OptiBiotix and ProBiotix, under a shared service agreement which allocates costs between the companies according to usage.

Paul Cannings joined us in January 2022 as Head of Operations & Quality. His focus is on managing every step of the supply chain, from negotiating and ordering raw ingredients through warehouse and inventory management to order fulfilment and invoicing. As part of this process, we are changing our current warehousing supplier to reduce fulfilment costs and increase our international coverage.

Zac Sniderman joined us in March 2022 as Business Development & Sales Director for North America, as part of a strategic focus for 2022 to increase the number of large partners in the important US market. Zac's role is to identify and reach agreement with large US partners for the commercialisation of our products in North America.

Shiraz Butt also joined us in March 2022 as E-Commerce Director. His role is to grow the online sales business by selling OptiBiotix own label products direct to customers both in the UK and in Asia. This involves improving the online sales experience, working with influencers and social media channels to increase product awareness, and most importantly growing online sales into a profitable business. Shiraz comes with a strong record of online sales growth achieving the all-time highest online sales consistently for large sports nutrition brands PhD Nutrition, TheProteinWorks and Iovate. He has grown ecommerce divisions for brands internationally from launch to £10million+ covering D2C and marketplaces.

These appointments 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. We would expect the value from these appointments to be realised in the second half of 2022 and beyond.

We will continue to evolve the Board in line with the Company's focus on the prebiotic business and its strategic aims.

Outlook

Despite the challenging trading environment, the Group is in a strong position with a healthy balance sheet and cash position, and improving sales prospects in the second half of 2022. We continue to develop online sales direct to consumers through our own website and build new revenue streams through new partners launching products in the second half of 2022 such as Apollo Hospitals in India and Nahdi Medical in Saudi Arabia. The commercial agreements we signed at the end of 2021 with these new large partners, and with The Hut Group in the UK, represent the future strategic direction of the Company and are complemented by the joint development agreement signed with Firmenich in the current year, which will help us to bring our second-generation SweetBiotix® products to larger markets.

At the start of 2022 we invested in expanded sales and marketing capabilities that will help us increase the number of larger partners, increase our sales of final products direct to consumers through retail channels, and create a more robust business for the future. Broadening our partner and product base will reduce the risk of revenues in future accounting periods being impacted by individual partners delaying launches, or by timing differences in restocking.

The Company is exploring opportunities to in-license or acquire additional technologies that will ensure a continuous pipeline of solutions to deliver diversified growth for the Group and strengthen our position as one of the leading companies in the rapidly growing microbiome space.

We are confident that our strategy will deliver an improved sales performance in the second half of the year, and even more strongly in 2023. Our second-generation SweetBiotix® family of products and microbiome modulators offer exciting potential for future growth in prebiotics, while we retain exposure to the considerable growth potential in probiotics and skincare through the Group's shareholdings in ProBiotix Health plc and SkinBiotherapeutics plc.

The continued expansion of our markets, the proven credibility of our science, the growing recognition of our brands and the strength and depth of our management team all give us a high degree of continued confidence in the exciting long-term growth potential of the Group.

N Davidson and S O'Hara
28 September 2022

Consolidated Statement of Comprehensive Income

For the six months to 30 June 2022

	6 months to 30 June 2022 Unaudited	6 months to 30 June 2021 Unaudited	Year to 31 December 2021 Audited
Continuing operations	**£**	**£**	**£**
Revenue	118,898	1,076,044	2,212,932
Cost of sales	(56,692)	(601,813)	(1,089,589)

Gross Profit		62,206	474,231	1,123,343
Share based payments		5,810	30,144	60,288
Depreciation and amortisation		117,425	144,636	288,455
Other administrative costs		986,076	896,235	2,139,914
Administrative expenses		(1,109,311)	(1,071,015)	(2,488,657)
Operating loss		(1,047,105)	(596,784)	(1,365,314)
Finance income / (costs)		81	(23,186)	(47,478)
Share of loss from associate		91,386	-	-
Gain on investments		14,859,096	14,165,501	7,500,681
Profit on disposal of investments		-	720,863	88,618
Profit/(Loss) before Income tax		13,903,458	14,266,394	6,176,507
Income tax		12,288	2,638	84,523
Profit/(Loss) for the period		13,915,746	14,269,032	6,261,030
Other Comprehensive Income		-	-	-
Total comprehensive income for the period		13,915,746	14,269,032	6,261,030
Total comprehensive income attributable to the owners of the group		13,915,746	14,269,032	6,261,030
Dividends		(10,258,000)	-	-
Non-controlling interest		-	-	-
		3,657,746	14,269,032	6,261,030
Earnings/(loss) per share				
Basic & Diluted - pence	**4**	4.15p	16.23p	7.15p
Basic & Diluted before Profit on investment revaluation - pence		3.84p	14.88p	6.55p

Consolidated Statement of Financial Position
As at 30 June 2022

	Notes	As at 30 June 2022 Unaudited	As at 30 June 2021 Unaudited	As at 31 December 2021 Audited
ASSETS		**£**	**£**	**£**
Non-current assets				
Intangibles		2,232,984	2,726,349	2,640,672
Property, plant & equipment		2,000	-	-

Investments	**5**	18,093,846	22,947,992	13,650,927
		20,328,830	25,674,341	16,291,599
CURRENT ASSETS				
Inventories		127,679	86,323	101,877
Trade and other receivables		434,040	1,285,689	1,552,490
Current tax asset		68,343	115,772	191,249
Cash and cash equivalents		1,509,347	993,014	2,007,448
		2,139,409	2,480,798	3,853,064
TOTAL ASSETS		22,468,239	28,155,139	20,144,663
EQUITY				
Shareholders' Equity				
Called up share capital	**6**	1,760,312	1,758,812	1,758,812
Share premium		2,545,001	2,537,501	2,537,501
Share based payment reserve		933,405	897,451	927,595
Merger relief reserve		1,500,000	1,500,000	1,500,000
Convertible Loan Note Reserve		-	92,712	92,712
Retained Earnings		14,977,744	19,328,000	11,319,998
		21,716,462	26,114,476	18,136,618
Non-Controlling Interest		35,782	35,782	35,782
Total Equity		21,752,244	26,150,258	18,172,400
LIABILITIES				
Current liabilities				
Trade and other payables		255,014	643,489	600,904
		255,014	643,489	600,904
Non - current liabilities				
Deferred tax liability		460,981	558,885	552,000
Borrowings		-	802,507	819,359
		460,981	1,361,392	1,371,359
TOTAL LIABILITIES		715,995	2,004,881	1,972,263
TOTAL EQUITY AND LIABILITIES		22,468,239	28,155,139	20,144,663

Consolidated Statement of Changes in Equity
For six months to 30 June 2022

	Called up Share	Share premium	Share-based	Non controlling	Merger Relief	Retained Earnings

	Capital		Payment reserve	Interest	Reserve	
	£	£	£	£	£	£
Balance at 31 December 2020	1,758,812	2,537,501	867,307	35,782	1,500,000	5,058,968
Profit for the period	-	-	-	-	-	14,269,032
Share based payment	-	-	30,144	-	-	-
Balance at 30 June 2021	1,758,812	2,537,501	897,451	35,782	1,500,000	19,328,000
Loss for the period	-	-	-	-	-	(8,008,002)
share based payment	-	-	30,144	-	-	-
Balance at 31 December 2021	1,758,812	2,537,501	927,595	35,782	1,500,000	11,319,998
Profit for the period	-	-	-	-	-	3,657,746
share based payment	-	-	5,810	-	-	-
Loan note conversion	-	-	-	-	-	-
Issue of shares	1,500	7,500	-	-	-	-
Balance at 30 June 2022	1,760,312	2,545,001	933,405	35,782	1,500,000	14,977,744

Consolidated Statement of Cash Flows
For the six months to 30 June 2022

	Notes	6 months to 30 June 2022 Unaudited	6 months to 30 June 2021 Unaudited	Year to 31 December 2021 Audited
			£	£
Reconciliation of loss before income tax to cash outflow from operations				
Operating loss		(1,047,106)	(596,784)	(1,365,314)
Decrease/ (Increase) in inventories		(35,744)	97,913	82,359
(Increase)/decrease in trade and other receivables		658,223	(639,866)	(906,666)
(Decrease)/increase in trade and other payables		(211,233)	124,494	81,909
Share Option expense		5,810	30,144	60,288
Amortisation of patents		117,425	144,636	288,455

Net foreign exchange differences	-	6,511	(478)
Net cash outflow from operations	(512,625)	(832,952)	(1,759,447)
Interest received	121	63	121
Tax received	98,331	194,663	194,664
Net cash outflow from operating activities	(414,173)	(638,226)	(1,564,662)
Cash flows from investing activities			
Purchase of intangible assets	(57,726)	(134,376)	(193,506)
Net cashflow re disposal of subsidiary	(35,202)	-	-
Net cash (outflow)/inflow from investing activities	(92,928)	(134,376)	(193,506)
Cash flows from financing activities			
Share issues	9,000	-	-
Disposal of Investments	-	900,936	2,900,936
Net cash inflow from financing activities	9,000	900,936	2,900,936
Increase/(decrease) in cash and equivalents	(498,101)	128,334	1,142,768
Cash and cash equivalents at beginning of period	2,007,448	864,680	864,680
Cash and cash equivalents at end of period	1,509,347	993,014	2,007,448

Notes to the Half Yearly Report

For the six months to 30 June 2022

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 2021, 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 United Kingdom.

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 2021.

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.

Following the listing of Probiotix Health plc on the AQSE Growth Market on 31 March 2022 the figures below include turnover from 1 January 2022 to 30 March 2022 are included for ProBiotix Ltd.

Revenue analysed by market

	Period ended 30 June 2022 £	**Period ended 30 June 2021 £**	**Year ended 31 December 2021 £**
Probiotics	19,508	536,225	1,100,132
Functional Fibres	99,390	539,819	112,800
	118,898	1,076,044	2,212,932

Revenue analysed by geographical market

	Period ended 30 June 2022 £	Period ended 30 June 2021 £	Year ended 31 December 2021 £
UK	47,796	309,493	647,649
US	15,366	408,366	827,135
International	55,736	358,185	734,148
	118,898	1,076,044	2,212,932

During the reporting period one customer represented £49,668 (41.8%) of Group revenues. (June 2021: one customer generated £408,366 representing 37.9% 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 2022 Unaudited	6 Months to 30 June 2021 Unaudited	Year to 31 December 2021 Audited
Basic			
Earnings attributable to ordinary shareholders	3,657,746	14,269,032	6,261,029
Weighted average number of shares	88,047,596	87,940,601	87,574,152
Earnings (Loss) per-share - pence	4.15p	16.23p	7.15p
Diluted			
Earnings attributable to ordinary shareholders	3,657,746	14,269,032	6,261,029

Weighted average number of shares	95,230,503	95,902,844	87,574,152
Earnings/(Loss) per-share - pence	3.84p	14.88p	6.55p

As at 30 June 2022 there were 7,182,907 outstanding share options.

5. Investments

Available for sale investments

Carrying value	**£**
At 31 December 2020	8,962,564
Revaluations	7,500,681
Disposal of shares during the period	(2,812,318)
Carrying amount	
At 31 December 2021	13,650,927
Revaluations	(6,980,467)
Carrying amount	
At 30 June 2022	6,760,460

Investment in associates

Carrying value	**£**
At 31 December 2021	-
Additions	11,242.000
Share of profit	91,386
Carrying amount	
At 30 June 2022	11,333,386
Total value of investments at 30 June 2022	18,093,846

6. Share Capital

Issued share capital comprises:

	6 months to 30 June 2022 Unaudited £	**6 months to 30 June 2021 Unaudited** £	**Year to 31 December 2021 Audited** £
Ordinary shares of 2p each	-	1,758,812	1,758,812

87,940,601			
Ordinary shares of 2p each 88,065,601	1,761,314	-	-
	1,761,314	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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