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OptiBiotix Health PLC
01 November 2023

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

Commercial update

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

The Company's focus for 2023 has been on achieving profitability on a per business unit basis and, once achieved ultimately resulting in overall profitability. This is being driven by a reduction in costs, a focus on existing partners returning to forecast, bringing in new partners particularly in the USA and Asia, and building an e-commerce business through multiple channels to reduce partner dependency. This update seeks to capture the progress made with first generation products since the restructuring of the management team in March in each of these areas. An update on second generation products will be provided separately in due course.

Existing partners returning to forecast

Whilst the retail environment remains volatile, we are seeing sales with existing partners improve month on month with more active account management leading to increases in sales across a number of key accounts. We have seen an increase in both the number of Apollo stores selling products in India and sales increase month on month with September 2023 sales up 624% from launch in September 2022 and the highest monthly sales to date. Apollo have reported an 87% repeat purchase rate with 27% new customers coming into their stores to buy GoFigure products. We are experiencing similar sales growth with Nahdi Medical pharmacies in Saudi Arabia with a 219% increase in sales since launch in March 2023 with September 2023 again the highest monthly sales to date. As the Company increases its online presence with Amazon in each of these territories with increased marketing, we anticipate enhanced brand awareness and a further improvement in sales growth both in store and online. Sales with Holland and Barrett and THG are also improving. As widely reported in the international press THG's Myprotein is undergoing a global rebrand of their products. We have been working with them to create greater product differentiation of their LeanBiome® containing products and new products to add to their new product ranges.

New partners

The strategy in 2023 was shifting the focus from Europe to large partners in key strategic markets, particularly the USA and Asia. This broadens the partner base and reduces revenue dependency on a small number of partners whilst accessing larger markets with substantially higher sales volumes. Strong progress has been made with: -

- A large initial order of £116k from a leading weight management and sports nutrition brand in the USA. We anticipate launch in late 2023 or Q1 2024. This is a major sports nutrition brand who are making a significant investment in LeanBiome® as a key differentiator in the protein market and, if successful on launch, will have a material impact on future revenues
- Four new partners in Asia for SlimBiome® who have all placed early orders. We anticipate this group of partners will contribute around £150k in revenue in 2024
- One of our partners securing an international listing for products containing SlimBiome® with Costco, the fifth largest retailer in the world and Boots online launching SlimBiome® products in Q1 2024. Listings with large retail partners are extremely difficult to forecast until a trading history is established. However, these partners have significant scale and if successful these agreements have potential for high revenue return
- Ongoing discussions with a very large US corporate on launching OptiBiotix's own brand products in H2 2024. The initial launch will take place in Asia with a global launch to follow. An audit of OptiBiotix's manufacturing sites is currently taking place
- Ongoing discussion with a publically listed large pharmaceutical company in India for a launch of SlimBiome® containing products in India in Q2 2024 with forecast sales for OptiBiotix in Y1 of £1.2m and Y5 of £6.7m

We are extremely pleased to report the progress made since March 2023 in attracting a significant number of new partners from the USA and Asia, but also in the UK with Boots online. The key now is active account management to ensure partners invest in actively marketing and distributing OptiBiotix's products. We believe the progress made and lessons learnt in rapidly improving sales from existing partners, particularly Apollo and Nahdi Medical, increases the chance of success with these new partners.

Ecommerce

Shiraz Butt joined OptiBiotix in May 2022 as E-commerce director to help move the online shop from a shop window developed to attract B2B partners to a profitable ecommerce consumer health business. This was part of a strategy of moving from ingredient sales to the sale of finished own brand products and growing our online presence internationally to increase margins and reduce partner dependency. The initial focus was on improving the website, customer checkout and logistics to increase the conversion rate of customers visiting the Company online store. The Company has a very high customer return rate for its products so downstream conversion of customers viewing its products online has potential for high return. Once this was achieved, the focus moved to opening up of new online channels such as Amazon, Amazon Prime, Walmart, and Tmall and TikTok in China and more recently eBay.

Slimbiome® Medical is consistently in the top best sellers for anti-appetite-suppressant products and achieved its highest sales in online history during Prime month in July 2023 of just over £13k. This trend was also seen with our gummies on Tmall and TikTok where we sold over £15k of gummies in October 2023 in one week following an influencer campaign on TikTok. Our partner in China, Inready, have forecast sales of between 1,000-2,000 pouches per week for 2024 which, if achieved, would bring in revenues of £10k to £20k per week for gummy sales alone in China. We believe with continued investment in marketing, the development of new online sales channels (e.g eBay), and new product lines (e.g soups, porridge, and chocolate bars), the online consumer health business will continue to grow and become a significant contributor to revenues in 2023 and beyond.

Stephen O'Hara, CEO of OptiBiotix Health plc said: *"We are making good progress with commercialising first generation products since the restructuring of the management team in March, with more active account management supporting existing partners returning to forecast, more focused commercial discussions leading to a significant number of new partners looking to use LeanBiome® and Slimbiome®, and growing online sales across multiple channels. We are particularly pleased with the pipeline of high-quality partners and the high conversion rate of interest to new accounts and the progress we are making with online sales, particularly in China. These all have the potential to bring in significant future revenues.*

"In addition to growing interest in our products the Company has no debt, a strong balance sheet, second generation products close to commercialisation, and retains significant exposure to the considerable growth potential of the microbiome through its shareholdings in ProBiotix Health plc and SkinBioTherapeutics plc."

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.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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About OptiBiotix - www.optibiotix.com

OptiBiotix Health plc (AIM: OPTI), which was formed in March 2012, brings science to the development of compounds which modify the human microbiome - the collective genome of the microbes in the body - in order to prevent and manage human disease and promote wellness.

OptiBiotix has an extensive R&D programme working with leading academics in the development of microbial strains, compounds, and formulations which are used as active ingredients and supplements. More than twenty international food and healthcare supplement companies have signed agreements with OptiBiotix to incorporate their human microbiome modulators into a wide range of food products and drinks.

OptiBiotix is also developing its own range of consumer supplements and health products. The Company's current areas of focus include obesity, cardiovascular health, and diabetes.

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