RNS Number : 1047N
OptiBiotix Health PLC
18 May 2020

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

Trading and commercial update

OptiBiotix Health plc, a life sciences business developing compounds to tackle obesity, cardiovascular disease and diabetes, provides the following unaudited preliminary revenue figures for the first three months of the financial year and a commercial update.

Financial update

The Company announced that it had changed its financial year end from 30 November to 31 December (RNS: 23 March 2020). This update reports on the first three months of this financial year to the last full week in March 2020 (ending 3 April 2020). These figures are unaudited and based on invoiced sales from weekly divisional sales reports. They are provided to give investors an insight into the commercial progress of the Company in the current financial year and may differ from final audited results.

Total invoiced sales of LPLDL® and SlimBiome® as ingredient or final product were £407,844 representing a 928% increase for the same period last year (£39,645). This does not include approximately £60,000 worth of LPLDL® which was invoiced and part paid in 2019 which under IFRS 15, a new international reporting standard, may have to be accounted for in this year's results as delivery did not take place until 2020.

The Company also received proceeds of £162,500 of investment income in this period from the disposal of shares in SkinBioTherapeutics plc which is not included in these figures.

There is little contribution in this period from license or royalty payments which historically tend to be received in the second half of the year.

We are pleased that these preliminary revenue figures show that divisions are making progress against their aim of being profitable this year with the Functional Fibres division led by Dr Fred Narbel reporting a profit during this period. Each division now reports weekly invoiced sales and a sales prospect pipeline which provides a real time assessment of commercial progress. Progress is variable across each division and we

will be working with all divisions to support them in the aim of each division reaching profitability this year.

Investors are cautioned that at this stage of a company's development, both costs and income can vary widely month to month and the Company is not yet at a stage where it believes quarterly or half yearly income figures can be extrapolated to full year results.

Commercial update

OptiBiotix has signed nine commercial agreements in this period, with a further four deals in the subsequent months, making a total of 13 agreements for the year to date. These include nine for SlimBiome® and four for LPLDL®. These agreements aim to extend the Company's geographic reach into 119 countries. The Company now has 40 of its 62 deals delivering revenues with 70% of deals expected to deliver revenues in the first year of agreement, compared to 35% in 2019, and 33% in 2018.

The large number of agreements signed with multiple partners, across multiple application areas and geographies, is designed to maximise the income potential of each product, whilst limiting the risk related to any individual deal, product, or geography. The strategic aim is to grow the awareness of our brands around the world. Growing brand awareness increases commercial interest in our product and changes the nature of partner discussions as the technology and product benefits are established. This is leading to shorter partner discussions, interest from larger partners (as shown by deals with Agropur, Optipharm, Holland & Barrett) and a greater percentage of deals expected to deliver revenues in the first year of signing an agreement. The strategy is supported by presentations and publications at international conferences and our products being nominated for and winning industry awards. This has led to OptiBiotix being recognised as a key player in the global microbiome market in a number of industry reports:

> https://www.openpr.com/news/2004286/what-s-driving-the-human-microbiome-market-size-key-players; and
> https://heraldwriteup.com/human-microbiome-market-size-status-and-global-outlook-2020-2024-optibiotix-health-plc-metabiomics-osel-inc-puretech-health-4d-pharma-synlogic-inc/

As we move through 2020, we will continue to build commercial momentum and extend our reach into new application areas (e.g. hypertension, vascular health) and extend the use of LPLDL® and SlimBiome® into more products. We were particularly pleased to see LPLDL® introduced into dairy with Granja Pocha (RNS: 12 February 2020) and to discover one of our partners, Bened Biomedical, using LPLDL® in an anti-aging product https://vogue-beauty.com.tw/%e7%94%a2%e5%93%81%e4%bb%8b%e7%b4%b9/. The launch of SlimBiome® into everyday foods like muesli and porridge and the development of healthy snacks like our fruit and fibre gummies under the SnackSmart brand is another exciting innovation. This is the first of a new healthy snacking range which taps into a global trend for healthy snacking, a market expected to reach $32.8 billion by 2025 (Grand View research, 2019).

We will continue to enter new territories, develop new application opportunities, and importantly support existing partners like Agropur, AlfaSigma, Akums, and more recent partners like Maxum and Pierce Asia in the commercialisation of products in their home territories. We believe this strategy will continue to generate industry interest, create a pipeline of new opportunities across all our platforms, build revenues, and support our aim of divisions reaching profitability in 2020.

Stephen O'Hara, CEO of OptiBiotix, commented: *"The first three months of this year has seen strong commercial progress with OptiBiotix extending its geographic reach and brand presence into 119 countries. With more agreements generating revenues, and a greater number of deals generating income in the first year of agreement, we have seen a large increase in revenues (928%) when compared to the same period last year, albeit against a low base. We anticipate further revenue growth in 2020 as existing deals contribute to full year revenues, we extend the application of our products into new areas, and we continue to execute deals with new partners. We believe interest in the microbiome will continue to grow and the market opportunity increase and look forward to building a sustainable and profitable business."*

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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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 program 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.

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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