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OptiBiotix Health PLC
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**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 six months of the financial year and a commercial update.

## Financial update

This update reports on the first six months of this financial year to 30 June 2020. These figures are unaudited and based on invoiced sales from 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 reported half year results.
Total invoiced sales of $LP_{LDL}$® and SlimBiome® as ingredient or final product were £741,504 representing a 398% increase over the H1 period last year (£148,818). The Company is pleased to note the year on year increase in revenue growth from 7.7% (H1: 2017-2018) to 84.7% (H1: 2018-2019) to 398% (H1: 2019-2020) as more agreements generate revenues and partners continue to grow sales from successful product launches.

We are pleased that these preliminary figures show that each division is making progress against the aim of becoming profitable this year. The functional fibres division led by Dr Fred Narbel reported a profit during this period, the ProBiotix division was profitable in three of the six months, and the consumer health division was profitable in one of the six months.

The Company also received £747,500 of investment income in this period from the disposal of shares in SkinBioTherapeutics plc which is not included in these figures.

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 half yearly income figures can be extrapolated to full year results.

## Commercial update

OptiBiotix has signed 15 commercial agreements in this period, 11 for SlimBiome®, and four for $LP_{LDL}$®. Of particular note are the deals with Holland and Barrett,

Optipharm, and USA partners opening up retail opportunities in the UK, Australia, parts of Asia, the Middle East, and North America. Announcing deals increases industry awareness of OptiBiotix's brands within the industry and changes the nature of partner discussions as the commercial benefits are established in more territories.

Growing brand awareness increases the value of a product, and ultimately shareholder value, and is particularly important and valued by large corporates. This is in line with our strategic aim of growing the awareness of our brands around the world.

**$LP_{LDL}$®**

Sales of $LP_{LDL}$® as an ingredient or final product grew by 477% compared to the same period last year. Of particular note was the successful launch of AlfaSigma's Ezimega 3 product and the commercial growth of Seed Health's Daily Synbiotic. Post period, the signing of an agreement with Actial Farmaceutica Srl for the distribution of CholBiome® products was a significant achievement and brings further credibility to the $LP_{LDL}$® brand. Actial is the developer of one of the world's best-known probiotic brands - VSL#3® and their products have a reputation for their strong science and clinical studies amongst hospital clinicians, GPs and pharmacists. $LP_{LDL}$® is now building an industry brand presence with a growing list of pharmaceutical partners who recognise the value of a natural product with a known mechanism of action, human studies, and a portfolio of trademarks and patents which protect their commercial interests. In addition to growing interest from pharmaceutical groups commercialising $LP_{LDL}$® as a supplement, it is being used in a wide range of other applications. These include dairy (RNS: 12 February 2020), anti-aging products (https://vogue-beauty.com.tw/%e7%94%a2%e5%93%81%e4%bb%8b%e7%b4%b9/) and with a blood pressure, $CholBiome_{BP,}$ and vascular health product $CholBiome_{VH}$, to be launched with partners later this year. This will complete a suite of cardiovascular applications of different formulations which should meet the regulatory and market needs of most countries around the world.

**SlimBiome®**

Sales of SlimBiome® as an ingredient or final product grew by +1,309% compared to the same period last year. This was largely driven by partners in the UK, Australia and the USA either launching retail products or building stock levels for launch of products. Of particular note is the extension of SlimBiome® into everyday foods like muesli and porridge and the development of healthy snacks like fruit and fibre gummies under the SnackSmart® brand. The launch of WellBiome® at the end of the period reflects the growing interest from partners in a science backed Health and Wellbeing microbiome product which taps into a global trend for Health & Wellness industry, a market estimated to be worth US$4.2 trillion in 2019 with the digestive health segment accounting for US$60 billion.

**SweetBiotix®**

SweetBiotix® are a family of products based on a concept of creating a sweet fibre that has a low glycaemic index which enhances the microbiome. The concept uses new science, new manufacturing processes, and is a step change from existing products on the market or known to be under development. This creates a large opportunity but a challenge working with multiple partners on application

opportunities as diverse as dairy, cereals, and hot & cold beverages. Each of these have to be assessed in terms of flavour optimisation (as this will depend on the food matrix), stability (which is different in a yoghurt to an acidic carbonated beverage), dosage (which will effect cost and sweetness levels), safety, tolerance, health benefits, and the final product cost profile.

One SweetBiotix® product has undergone pilot manufacturing scale up and OptiBiotix raised funds in April 2020 to scale up additional SweetBiotix® products with partners.

Discussions with manufacturing and application partners are taking place against a background of development and optimisation under heads of terms or 'open innovation' arrangements. These allow parties to share information and samples whilst protecting OptiBiotix's IP in an area increasingly seen as of growing strategic importance to the industry. Larger partners often want exclusivity for the complete SweetBiotix® portfolio to protect their commercial interests. An agreement with a single partner would be simpler and quicker but could potentially limit the opportunity and create a reliance on a single partner to commercialise. It is in OptiBiotix's best interests to negotiate multiple agreements to reduce this risk. Discussions are taking place with a number of partners within a corporate process and timescale, and are subject to strict confidentiality clauses. We hope to close out one or more agreements within the coming months subject to successful negotiations. Further announcements will be made in due course if or when these discussions materialise into binding commercial agreements.

**Stephen O'Hara, CEO of OptiBiotix, commented**: *"The first six months of this year has seen strong commercial progress with a 398% increase in revenue compared to the same period last year. There is a now a trend showing an acceleration in year on year revenue growth as more agreements generate revenues, existing partners grow sales, and more retail partners launch products. We anticipate further revenue growth in 2020 as interest in the microbiome and products for health and wellbeing grows.*

*"Whilst uncertainty within the global economic environment will create challenges we believe our strategy of working with multiple partners, across different application areas and geographies within the healthcare sector, will limit the risk related to any individual deal, product, or geography."*

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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