

13 February 2019

OptiBiotix Health plc
("OptiBiotix" or the "Company" or "the Group")
Year-end Update

OptiBiotix Health plc, a life sciences business developing compounds to tackle obesity, cardiovascular disease and diabetes, provides the following unaudited revenue figures and trading, strategy, and commercial update ahead of the Group's final results for the year ended 30 November 2018.

Financial Update

The 12 months to 30 November 2018 have seen the continued transition of the Company from a research and development business to a company showing strong commercial traction for its award winning products and technologies with significant deal flow and rapidly growing revenues.

As the year progressed, an increasing number of agreements started to generate revenues with unaudited income for the year of £541K, of which £461K (85%) was recognised in the second half of the year (June to 30 November 2018). These figures represent a 5.8X increase in income from H1 to H2 and a 2.8X increase on 2017 income of £191K.

We anticipate further revenue growth in 2019 as existing deals contribute to full year revenues, and partners continue to grow sales. More of our existing agreements will start to generate revenues this year, particularly with larger partners launching products in international markets in 2019, and new agreements continue to be signed in 2019. We anticipate further revenue growth will occur from our online platform (OPTIBIOTIX.Online), SlimBiome[®] Medical (which received its CE mark and medical device registration at the end of the accounting period), and our SweetBiotix[®], OptiBiotic[®] and microbiome modulating platforms. Revenue growth from these areas will benefit from the appointment of Frederic Narbel as Managing Director of OptiBiotix's prebiotic division containing its SweetBiotix, OptiBiotic and microbiome modulating technology platforms. Frederic was Vice President of Sales for Nutrition Solutions at Agropur, a company with annualised sales of \$6.4 billion (2017), and will join us from 1 March 2019.

At 30 November 2018, the Company had £1.33m cash in the bank. Once R&D tax credits, and recoverable VAT are added back, the balance was c. £1.67m. On 14 December 2018, post accounting period, Probiotix Health Ltd, a wholly owned

subsidiary of OptiBiotix Health, announced it had raised £1.025 million of capital through the issue of convertible loan notes in preparation for a potential initial public offering. Of this £198K was received before 30th November with the remaining received post accounting period. With this funding and growing revenues, the cash position remains strong and sufficient to cover the delivery of existing commercial plans.

Strategy

OptiBiotix's strategy is to develop multiple opportunities within the microbiome space across all its platforms by creating food ingredients, supplements and pharmaceutical products with partners. This approach allows OptiBiotix to present product solutions to consumer health, pharmaceutical and retail companies providing multiple revenue streams from ingredient sales, white label and own branded products across multiple channels. The large number of agreements signed in 2018 across multiple application areas represents early execution of this strategy. These agreements are starting to generate recurring revenue streams and will form the backbone of future sales growth. This partnering strategy is designed to maximize the income potential of each product, whilst limiting the risk related to any individual deal. This strategy allows OptiBiotix to operate on a "asset-light" infrastructure with manufacturing, regulatory approvals, and sales & marketing infrastructure funded by OptiBiotix's partners such that license and royalty fees are largely cost free and impact the bottom line. We anticipate further execution of this strategy in 2019 with further revenues against a continued low-cost base creating profitable divisions across all areas of the Company.

Commercial

OptiBiotix signed 18 commercial agreements in the year to 30 November 2018, eight more than the 10 deals concluded in 2017. These include 10 for the Probiotic division, six for SlimBiome[®], and two for SweetBiotix. Three of these agreements extend LP_{LDL}[®] into drug biotherapeutics. In these deals, the partner provides all funding for drug registration and approvals in return for exclusivity. OptiBiotix receives milestone and/or royalty payments based on product development and future product sales. This is a low cost, low risk approach to enter the pharmaceutical space which, if successful, has the potential to create significant value uplift for OptiBiotix in the years ahead. Similarly, for SlimBiome[®], its registration as a medical device with CE mark extends the application of SlimBiome[®] from food products into high value medical products and opens up access to consumer healthcare and pharmaceutical markets across Europe.

The online platform launched in autumn 2018 creates another channel to market and a shop window for our technologies and products. The addition of CholBiome, and CholBiome 3X, and muesli pots to the store has helped to increase sales and we anticipate an increasing contribution from online sales in 2019.

The focus for 2019 is on further extending our reach into new application areas and new territories, and translating industry interest into deal flow and further revenue growth. In addition to the use of SlimBiome[®] as a medical device and the

development of LP_{LDL} ® as a pharmaceutical, we will extend the application of LP_{LDL} ® from its use as a supplement into use as a food and dairy ingredient. This is in line with our strategy of building revenues and market presence of our patented and trademarked products (LP_{LDL} ®, SlimBiome®) as the 'Intel' inside a wide range of food, beverage, supplement, and medical products around the world.

Notice of results

The Company intends to report its final results for the year ended 30 November 2018 by 30 April 2019.

Stephen O'Hara, CEO of OptiBiotix, commented: *"This year has seen strong revenue growth in the second half of 2018 as a number of agreements started to generate early revenues. We anticipate further revenue growth in 2019 as these deals contribute to full year revenues and partners continue to grow sales. Existing deals will start to generate further revenues, and new agreements are regularly being signed. We also anticipate growing contributions from our online sales divisions, sales of SlimBiome® Medical, and our SweetBiotix®, OptiBiotic®, and microbiome modulating platforms. The last 12 months has seen OptiBiotix transition from a research and development company to a commercial business with significant deal flow and rapidly growing revenues. This is all part of a strategy designed to develop multiple opportunities accessing healthcare markets around the world, which if successful, has the potential to generate substantive revenues and profitability. As these revenues grow and we continue to build trading histories with an increasing number of partners, we will be in a position to provide reliable forecasts to the market."*

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

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