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OptiBiotix Health PLC
27 September 2024

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Half yearly Report

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 unaudited results for the six months ended 30 June 2024.

Highlights

- Significantly increased order book andsolid sales performance
- Reported revenues decreased by 21.3% to £276K (H1 2023: £351k), although sales orders received during the period were substantially higher than in H1 2023
- Strong strategic and commercial progress achieved in the first half has continued in the second half to date
- E-commerce sales increased three-fold
- Healthy balance sheet with gross assets of £8.0m (30 June 2023: £9.9m), no debt and cash of £1,263K (30 June 2023: £893K)
- Successful placing to raise£1,350,500 through the issue of 6,752,500 new ordinary shares of 2 pence each in the Company in March 2024
- Launch ofLeanBiome® in Muscletech®,a leading sports nutrition brand
- Partnership agreement with Morepen for SlimBiome® containing finished products
- Manufacturing agreement with KAG Industries
- Roehampton University submitting the results of a third human study on SlimBiome® for publication, which demonstrated statistically significant benefits to appetite and hunger regulation with no safety, compliance or tolerance issues reported by the participating volunteers. This study underlined the effectiveness of a single dose of SlimBiome® in delivering hunger-free weight loss by non-invasive means, and was timely in view of the growing consumer, media and pharmaceutical interest in this field

Stephen O'Hara, CEO of OptiBiotix Health plc said:"*The fundamentals of our marketplace remain very exciting, with a range of recent market reports highlighting that products across the entire OptiBiotix portfolio have the potential to meet growing demand as solutions to a wide and increasing range of lifestyle-related health challenges. Given the excellent customer reviews, high customer return rates, multiple industry awards, and new customers launching products in key markets we believe there is a substantive opportunity to leverage market interest by increasing*

customer awareness of our products either directly through social media channels or indirectly through investing with our partners, and so build a successful and profitable business.

"The commercial traction we are now enjoying in our first-generation products with large partners in key markets, and the interest shown by other partners in our potentially industry-changing second-generation products, allows us to look to the future with a high degree of confidence. In the shorter term, based on orders already placed, we are also confident that full year revenues will be well ahead of those reported in 2023.

"With appetite suppression, gut health, sugar alternatives and modulation of the human microbiome all attracting ever-increasing interest, we believe that the Company is strongly placed to achieve profitability through growing sales of its now proven first-generation products, while progressing towards the commercialisation of our even more exciting second-generation products, SweetBiotix® and human microbiome modulators.

"We are confident that our strategy will deliver an improved sales performance for the rest of this year, and will continue in 2025, 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.

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.

For further information, please contact:

OptiBiotix Health plc www.optibiotix.com
Neil Davidson, Chairman *Contact via Walbrook below*
Stephen O'Hara, Chief Executive

Cairn Financial Advisers LLP (NOMAD) Tel: 020 7213 0880
Liam Murray / Jo Turner / Ludovico Lazzaretti

Peterhouse Capital Limited(Broker) Tel: 020 7220 9797
Duncan Vasey / Lucy Williams

Walbrook PR Ltd Mob: 07876 741 001
Anna Dunphy

Chairman's and Chief Executive's Statement

We are pleased to report good progress towards all our main strategic objectives for 2024:

- increasing our number of partners and sales in our key target markets of the USA and Asia;
- investing in e-commerce channels to drive direct-to-consumer sales;
- and growing our sales of final branded or white label products containing our ingredients so as to deliver a dual income stream.

The strong sales momentum re-established after our senior management change in 2023 has continued, with orders placed by the end of H1 2024 almost matching our reported revenue for the whole of 2023, and a number of business areas achieving or moving close to profitability in line with our plans.

Strategic overview

The Company's strategy is to focus on global markets with exceptional growth potential and to target these with a diverse portfolio of highly differentiated, clinically proven and patented products. We have adopted a layered two-generation approach to the development of our product portfolio with the aim of progressively building credibility and awareness of the Company in order to reduce risk and maximise opportunities for our investors.

The unique compounds OptiBiotix has created address what are recognised as some of the world's fastest-growing public health challenges: obesity, cardiovascular disease and diabetes. With appetite suppression, gut health, sugar alternatives and modulation of the human microbiome all attracting ever-increasing interest, we believe that the Company is well placed to achieve profitability through growing sales of its now proven first-generation products, while progressing towards the commercialisation of our even more exciting second-generation products, SweetBiotix® and human microbiome modulators.

The years we have spent undertaking clinical studies to establish robust health claims in multiple international markets for our first-generation products mean that SlimBiome® has now achieved strong scientific credibility and acceptance by major partners and consumers as a proven aid to weight management. We have also successfully extended our technology into new channels such as sports nutrition with LeanBiome®, already incorporated into two of the world'sleading sports

nutrition brands, Myprotein and MuscleTech,and into new product areas such gut and digestive health with WellBiome®.

More recently, we have been able to capitalise on the huge public and media interest in injectable weight lossGLP-1 agonists like Semaglutide, marketed as Ozempic and Wegovy. Whilst SlimBiome® and the GLP-1 agonistsboth regulate insulin response and slow down stomach emptying improving appetite control, SlimBiome®worksin a totally natural, non-invasive way and without any adverse side effects. Recent work with dieticians at a specialist London obesity clinic indicates that SlimBiome® may also have potential as an adjunct to treatment with Ozempic/Wegovy. Work is ongoing to explore whether combining SlimBiome® with these drugs may help to reduce drug dosage, and thereby the cost of treatment and side effects, and enhance or prolong the appetite suppressant effect of the drugs.

Whilst initial discussions and assessment are with specialist weight management clinics largely in London, if these early findings are confirmed we will go direct to the pharmaceutical companies selling these products to explore the potential of using SlimBiome, probably by a different name, as an adjuvant to drug treatment.

We are also progressing towards commercialisation of the second-generation SweetBiotix® and microbiome modulator family of products which offer shareholders the potential for significant value enhancement.The Company has seen a high level of corporate interest in these second-generation products and is in discussion with a wide range of industry partners over product application and launch timescales, some already announced and some with new potential partners. Given we are working with large corporate partners in both manufacturing scale up and use in final product these are complex discussion where confidentiality is paramount.

We also see very significant further potential for revenue growth and value creation through the development of microbiome modulators, which apply our unique patented technologies to precision engineer the human microbiome to enhance those microbes that deliver health benefits. This is an emerging field of research and development for both the food and pharmaceutical industries, which we believe offers the opportunity to transform healthcare.Whilst the technology is applicable to a wide range of probiotics the commercial focus for our first product is Lactobacilli as they make up 65% market share by revenue (Coherent Market Insights, 2023) of the global probiotic market, which is valued at $57.8 billion (Mordor Intelligence, 2022). The creation of synergistic synbiotics which improve the growth rate, gut survival, and improve efficacy of existing probiotics is a new opportunity in the highly competitive probiotic industry. Opportunities exist to supply large corporates with a product which has the ability to improve all their products containing Lactobacilli, or codevelop, or license the technology for specific species.

The Company asks shareholders to be patient and respect our need for confidentiality in the development of its second-generation portfolio, and will make announcements on its progress as research milestones are reached or agreements with partners are concluded.

We have a high level of confidence in the scale of the opportunity within OptiBiotix and our ability to deliver sustained growth for shareholders in the years ahead.

Consumer Health and E-commerce

OptiBiotix has made significant investments in its e-commerce business to drive direct-to-consumer sales as a strategic move to reduce reliance on retail partners and to increase profit

margins. The Consumer Health division has the advantage of receiving online sales income immediately and allows more control over the Company's brands and messaging whilst reducing reliance on distributors.

The Consumer Health division has continued to grow rapidly during the year with sales to 30 June 2024 exceeding the £151K achieved for the whole of 2023, and showing a three-fold increase over H1 2023. The biggest contributor to H1 sales was China, with our own OptiBiotix Online website and Amazon UK making up the rest with a roughly equal split, together with a small contribution from Amazon UAE which launched late in H1 2024.

In China, the shift in focus from TikTok to Tmall noted in the annual report has led, as expected, to fewer but more sustainable sales at a much lower marketing cost and an improvement in profitability.

The UK has delivered the strongest growth in direct-to-consumer sales this year. Our own OptiBiotix Online direct sales operation, with much lower marketing costs, has returned a positive contribution to shared e-commerce costs every month in 2024 to date. Sales through Amazon UK have shown the highest growth rate of all our online channels, but the platform has been loss making, reflecting the investment in marketing to grow our customer base. However, 25% of all Amazon customers pay by monthly subscription as repeat customers and, as the Company grows its customer and subscriber base, and increases sales from repeat purchases, marketing costs typically reduce as a percentage of sales and this is expected to lead to profitability.SlimBiome® remains among Amazon's top sellers for appetite suppressants and achieved record sales during Prime month in July 2024, while our SnackSmartSlimBiome® Indulgence bars are now among Amazon's Top 10 best sellers in the 'diet bars' category. WellBiome® has also quickly established itself as a strong seller on the platform with a 4.7* rating.

After waiting many months for a European VAT certificate, the Company can now sell through new Amazon channels in Germany and we are starting to see sales flow in this territory in H2. Amazon India is expected to follow in early October 2024. As we increase the number of countries into which we sell directly to consumers via Amazon, and we optimise our product offering in different markets, we look forward to continued sales growth through the remainder of 2024 and beyond.

North America

We have made good progress towards our strategic goals of increasing our number of partners and growing our sales within the USA, the world's largest economy.

At the beginning of 2024, we werepleased to report the launch of LeanBiome® in MuscleTech's Nitro Tech Ripped range, a premium protein powder designed to support athletes who want to lose fat and build lean muscle. MuscleTech defines itself as the No.1 selling Bodybuilding Supplement Brand in America-https://www.muscletech.ca/research/- and theinclusion of LeanBiome® inthisleading global sports brand is a significant endorsement of our product. Muscletech has continued to fill its distribution network in Europe,where sales to date have exceeded expectations, with further orders for LeanBiome® anticipated in H2 2024, and a launch in the much larger North American market under consideration.

LeanBiome® is now included in two leading sports nutrition brands, Myprotein and MuscleTech, a global market worth $45.2bn in 2023 and expected to grow at a CAGR of 7.5% per annum to 2030(Grand View Research, 2023).

In line withourstrategy of selling more final product and expandingourinterests in the USA, the Companyhascontinuedtoprogresssales opportunities with a number of large North American corporates. As announced on 29 July 2024, the Company was pleasedtoreceive its first order from one of these, a NASDAQ listed USA e-commerce and direct selling company, for a tomato soup final product containing SlimBiome® which is expected to be launched in January 2025 in Hong Kong for cross-border sales into China for Chinese New Year, and subsequently sold in the USA.

Discussions are ongoing with a number of other large US partners to include our ingredients in partner final products. These include SlimBiome® and SweetBiotix® (which has been developed in a finished product for a large global partner) and our microbiome modulators. The Company is hopeful that further announcements with corporate partners in the USA will be made in due course.

OptiBiotix Health India

India is already the most populous nation on Earth, anticipated to have the world's largest cohort of medium to high level income consumers by 2035 and to become the planet's second largest economy by the 2050s. With obesity prevalence already measured at 40.3%, it presents a huge area of opportunity for weight management products in particular, and our strategic investment in establishing OptiBiotix Health India in 2021 has given us a strong platform for growth through the local manufacture and sale of both ingredients and final products.

The businesstook a material step forward with theannouncementon 13 March 2024 of a major new five-year partnershipagreement with Morepento sell products containing SlimBiome® under the Dr Morepen brand:an established, well known, and trusted brand in the Indian market. OptiBiotix will receive revenue for both the ingredient and final product sales. The first order received in May 2024 for 5 flavoured shots has been increased and a further order received for a chocolate shake. Further products are under development for launch in 2025.

This is the first time OptiBiotix has coinvested in marketing with a partner to try to rapidly achieve a large market share in a major market. Morepen have confirmed launch dates within H2 and these will be announced in conjunction with Morepen and associated the marketing activities.As announced on 13 March 2024, based on Morepen's current forecasts, this agreement could contribute in the region of £6-£7 million revenue per annum to OptiBiotix by the fifth year of the partnership.

We have signed a supply contract with KAG Industries as our alternative manufacturing partner in India to mitigate the risk of relying on a single partner in the territory, and they have commissioned machinery specifically to supply product for Dr Morepen and are advertising SlimBiome® in their forums and exhibitions.

We continue to sell GoFigure®products through approximately 1,000 Apollo Pharmacies stores across India, with a new product launch scheduled for next month, with improved branding and flavours. A launch on Amazon India is also scheduled for October 2024 in addition to pursuing a strong pipeline of other opportunities with leading and emerging players in weight management and sports nutrition in the country.

Webelievethat our agreement with Morepen and the upcoming launch of more products under the Dr Morepen brand,plus other partner launches planned for Autumn 2024and the reorderof

productsbyApollo pharmacies couldgeneratesignificant revenues and bring profitability to this part of the business during 2024.

Asia

In 2023, OptiBiotix signed agreements with four new partners in Asia for SlimBiome® and to date we have received just under £80,000 worth of initial orders. These partners include Nasol Pharma International (Vietnam), Bonanaza Neutra (Thailand), Colorinda Chemtra (Indonesia), and NexusWise (Malaysia and Singapore): all well-known specialist distributors in their field of expertise who will work with local manufacturers and brands to launch products containing SlimBiome®. The Board believes this is a strategic investment in high growth markets that are anticipated to growrelativelyslowly but havethe potential to deliver significant revenues in the future.

Results

Our results for the six months ended June 30 2024 are set out below, and show revenue falling by 21.3% to £276K (H1 2023: £351k), despite a significantly increased order book. As mentioned above, our e-commerce sales increased three-fold, but with lower reported sales from our wholesale business. The nature of the wholesale business can see significant fluctuations in reported sales between reporting periods, as is apparent in these results, with H1 2023 including a sale of over £100K to North America to support the MuscleTech consumer launch.

Sales orders received during the period were substantially higher than in H1 2023, but IFRS 15 accounting rules allow us to include revenue only when goods are accepted by our customer, even when prepayment for them may have been received. The growing gap between the placement of orders and the recording of revenue reflects our success in attracting newer and larger overseas partners who are placing orders for final products rather than ingredients, and the longer timescales involved between placing an order for a new product launch and the customer ultimately accepting the goods once manufactured. To the date of this statement, the total of reported sales and confirmed orders exceeds our total 2023 sales of £644K.

Administration expenses increased to £1,177K (H1 2023: £918K). H1 2023 benefitted from a £125K bad debt recovery, whilst our significant increase in on-line sales also comes with a corresponding growth in marketing and commission costs. There were no other significant cost changes. As a result, the Company recorded an operating loss of £1,066K (H1 2023: £760K). The reported loss before taxation was £2,799K (H1 2023: £1,854K). The mark to market downwards valuation of our investment in SkinBiotherapeutics Plc was £1,655K (2023 H1: £1,066K), although our share of loss from our associate, ProBiotix Health Plc, decreased from £226K to £118K. We also made a small gain on the disposal of a portion of our shareholding in SkinBioTherapeutics Plc of £40K (2023 H1: £198K).

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.

The Company continues to enjoy a healthy balance sheet with gross assets of £8.0m (30 June 2023: £9.9m), no debt and cash of £1,263K (30 June 2023: £893K).

Outlook

The strong strategic and commercial progress we have achieved in the first half has continued in the second half to date. The commercial agreements we have secured with new and larger

partners in key strategic markets, and our increasing emphasis on the sale of customer own brand finished products rather than stock ingredients, mean that production and delivery times, particularly for the first order are longer. This is because we have to work with the customer on developing the formulation, design and artwork, and packaging unique to the product. The customer has a proprietary own brand product which they are more likely to invest in marketing and grow the brand. However, for the first-year orders received and confirmed in H1 (e.g. Morepen, KAG, Apollo new products) will not be reportable under IFRS until H2, when the goods are accepted by the customer, even though prepayment may have been received (RNS: 20 August 2024). We believe that whilst this addsmore complexity to the supply chains and there is often a six-to-eight-month lag between first orders being placed and delivered this is justified by the increase in sales of both ingredient and product, larger orders, and higher margin. We have seen the initial stages of this transition in India and the USA in H1 and hope to announce further orders with corporate partners in the USA and India as they are confirmed.

Our Consumer Health division continues to trade strongly, with fresh records for Amazon sales expected to be set in November 2024 through the stimulus of Black Friday events. In China, we are examining the placement of our products in new platforms and categories to circumvent unexpected restrictions on the weight loss category in the country, which have prevented us from advertising our products on large platforms such as TikTok. We have recently signed an agreement with our UAE distributor to trade into Saudi Arabia and are exploring plans to extend onto additional ecommerce platforms in the UAE.

In the USA, we are currently finalising label claims and a trademark licensing agreements for SlimBiome® with a leading weight management brand and pursuing several other projects including a fully developed beverage concept with a large retail and ecommerce brand focused on the microbiome, which is expected to launch online and then with existing major retail partners in Q4 2024 or Q1 2025. We are in the early stages of developing a sachet concept with SlimBiome® for potential launch in mid-2025 with a major US retailer whilst a Hong Kong-based ecommerce company focused on North America is looking to reformulate its flagship daily prebiotic with WellBiome®.

We have a number of new products under development in India as part of a range extension for Morepen and other partners including new six calorie button gummies, new formula breakfast, dinner and snack shakes, and new high protein, high fibre, low calorie bar containing SlimBiome®.

As our products launch with new partners in new territories, the Company's focus will be on supporting our partners with training and marketing assets to ensure sales growth and repeat orders. In some cases where the market opportunity justifies it, as with Morepen, we will coinvest to ensure we can rapidly scale the opportunity.

The fundamentals of our marketplace remain very exciting, with a range of recent market reports highlighting that products across the entire OptiBiotix portfolio have the potential to meet growing demand as solutions to a wide and increasing range of lifestyle-related health challenges. Given the excellent customer reviews, high customer return rates, multiple industry awards, and new customers launching products in key markets we believe there is a substantive opportunity to leverage market interest by increasing customer awareness of our products either directly through social media channels or indirectly through investing with our partners, and so build a successful and profitable business.

The commercial traction we are now enjoying in our first-generation products with large partners in key markets, and the interest shown by other partners in our potentially industry-changing second-generation products, allows us to look to the future with a high degree of confidence. In the shorter term, based on orders already placed, we are also confident that full year revenues will be well ahead of those reported in 2023.

N Davidson and S O'Hara
27 September 2024

Consolidated Statement of Comprehensive Income
For the six months to 30 June 2024

	6 months to 30 June 2024 Unaudited	6 months to 30 June 2023 Unaudited	Year to 31 December 2023 Audited
Continuing operations	**£'000**	**£'000**	**£'000**
Revenue	276	351	644
Cost of sales	(165)	(193)	(324)
Gross Profit	111	158	320
Share based payments	-	-	(6)
Depreciation and amortisation	(106)	(93)	(205)
Other administrative costs	(1,071)	(825)	(1,804)
Administrative expenses	(1,177)	(918)	(2,015)
Operating loss	(1,066)	(760)	(1,695)
Finance income / (costs)	-	-	1
Share of (loss)/profit from associate	(118)	(226)	(323)
Loss on fair value of investments	(1,655)	(1,066)	(513)
Profit on disposal of investments	40	198	487
Profit/(Loss) before Income tax	(2,799)	(1,854)	(2,043)
Income tax	8	8	4
(Loss)/Profit for the period	(2,791)	(1,846)	(2,039)

Other Comprehensive Income		-	-	-
Total comprehensive income for the period		(2,791)	(1,846)	(2,039)
Total comprehensive income attributable to the owners of the group		(2,791)	(1,846)	(2,039)
Dividends		-	-	-
		(2,791)	(1,846)	(2,039)
Earnings/(loss) per share				
Basic & Diluted - pence	**4**	(2.96) p	(2.08)p	(2.24) p

Consolidated Statement of Financial Position
As at 30 June 2024

	Notes	As at 30 June 2024 Unaudited	As at 30 June 2023 Unaudited	As at 31 December 2023 Audited
ASSETS		**£'000**	**£'000**	**£'000**
Non-current assets				
Intangibles		1,225	1,463	1,331
Investments	**5**	2,182	3,711	3,887
Investment is associate	**5**	2,688	2,903	2,806
		6,095	8,077	8,024
CURRENT ASSETS				
Inventories		258	179	188
Trade and other receivables		393	666	460
Current tax asset		21	106	97
Cash and cash equivalents		1,263	893	635
		1,935	1,844	1,380
TOTAL ASSETS		8,030	9,921	9,404
EQUITY				
Shareholders' Equity				
Called up share capital	**6**	1,959	1,824	1,824
Share premium		4,107	2,958	2,958
Share based payment reserve		772	939	772
Merger relief reserve		1,500	1,500	1,500
Retained Earnings		(973)	1,838	1,818
Total Equity		7,365	9,059	8,872
LIABILITIES				
Current liabilities				
Trade and other payables		313	514	180

	313	514	180
Non - current liabilities			
Deferred tax liability	352	348	352
	352	348	352
TOTAL LIABILITIES	665	862	532
TOTAL EQUITY AND LIABILITIES	8,030	9,921	9,404

Consolidated Statement of Changes in Equity
For six months to 30 June 2024

	Called up Share Capital £'000	Share premium £'000	Share-based Payment reserve £'000	Merger Relief Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 31 December 2022	1,824	2,958	939	1,500	3,684	10,905
Loss for the period	-	-	-	-	(1,846)	(1,846)
Balance at 30 June 2023	1,824	2,958	939	1,500	1,838	9,059
Loss for the period	-	-	-	-	(193)	(193)
Movement on reserves	-		(173)	-	173	-
Share options and warrants	-	-	6	-	-	6
Balance at 31 December 2023	1,824	2,958	772	1,500	1,818	8,872
Loss for the period	-	-	-	-	(2,791)	(2,791)
Issue of shares during the period	135	1,149	-	-	-	1,284
Balance at 30 June 2024	1,959	4,107	772	1,500	(973)	7,365

Consolidated Statement of Cash Flows
For the six months to 30 June 2024

	Notes	6 months to 30 June 2024 Unaudited £'000	6 months to 30 June 2023 Unaudited £'000	Year to 31 December 2023 Audited £'000
Reconciliation of loss before income tax to cash outflow from operations				
Operating loss		(1,066)	(760)	(1,695)
Decrease/ (Increase) in inventories		(70)	(1)	(10)
Decrease/(Increase) in trade and other receivables		67	(144)	61
(Decrease)/increase in trade and other payables		133	236	(98)
Share Option expense		-	-	6
Amortisation of patents		106	92	205
Impairment of patents		-	-	5
Net cash outflow from operations		(830)	(577)	(1,527)
Tax Received/(Paid)		85	(9)	-
Net cash outflow from operating activities		(745)	(586)	(1,527)
Cash flows from investing activities				
Purchase of intangible assets		-	(15)	-
Proceeds on disposal of investments		89	442	1,110
Net cash (outflow)/inflow from investing activities		89	427	1,110
Cash flows from financing activities				
Proceeds from issuance of shares		1,284	-	-

Net cash inflow from financing activities	1,284	-	-
Increase/(decrease) in cash and equivalents	628	(159)	(417)
Cash and cash equivalents at beginning of year	635	1,052	1,052
Cash and cash equivalents at end of year	1,263	893	635

Notes to the Half Yearly Report

For the six months to 30 June 2024

1. General Information

Optibiotix Health Plcis a company incorporated and domiciled in England and Wales. The company's registered office is 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 2023, prepared under UK - adopted 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 UK - adopted 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 2023.

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 four highly interconnected markets, all costs assets and liabilities are derived from the UK location.

Revenue analysed by market

	6 months to 30 June 2024	6 months to 30 June 2023	Year ended 31 December 2023
	£'000	£'000	£'000
Functional Fibres	276	351	644
	276	351	644

Revenue analysed by geographical market

	Period ended 30 June 2024	6 months to 30 June 2023	Year ended 31 December 2023
	£'000	£'000	£'000
UK	163	142	221
US	-	116	202
China	76	15	75
Rest of world	37	78	146
	276	351	644

During the reporting period one customer represented £51,070 (18.5%) of Group revenues. (June 2023: one customer generated £116,256 representing 33.1% 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 2024

Basic and diluted EPS	Earnings	Weighted average Number of shares	Profit per-share
	£'000	No.	Pence
Basic and diluted EPS	(2,791)	94,455,606	(2.96)

	Earnings	6 months to 30 June 2023 Weighted average Number of shares	Profit per-share
	£'000	No.	Pence
Basic and dilued EPS	(1,847)	88,279,952	2.08

	Earnings	Year to 31 December 2023 Weighted average Number of shares	Profit per-share
	£'000	No.	Pence
Basic and diluted EPS	(2,038)	90,190,661	(2.24)

As at 30 June 2024 there were 6,857,907 outstanding share options.

5. Investments

Available for sale investments

Carrying value	£'000
At 31 December 2022	5,022
Disposal of shares	(244)
Revaluations	(1,067)
Carrying amount	

At 30 June 2023	3,711
Revaluations	554
Disposal of shares	(378)
Carrying amount At 31 December 2023	3,887
Disposal of shares	(50)
Revaluations	(1,655)
As at 30 June 2024	2,182

Investment in associates

Carrying value	**£'000**
At 31 December 2022	3,129
Share of loss	(226)
Carrying amount At 30 June 2023	2,903
Share of loss	(97)
Carrying amount At 31 December 2023	2,806
Share of loss	(118)
Carrying amount At 30 June 2024	2,688
Total value of investments at 30 June 2024	4,870

6. Share Capital

Issued share capital comprises:

	6 months to 30 June 2024 Unaudited	**6 months to 30 June 2023 Unaudited**	**Year to 31 December 2023 Audited**
	£'000	£'000	£'000

Ordinary shares of 2p each 91,190,661	-	1,824	1,824
Ordinary shares of 2p each 97,943,161	1,959	-	-
	1,959	1,824	1,824

7. Post balance sheet events

There were no post balance sheet events.

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