OptiBiotix®
HEALTH PLC

BETTER SCIENCE, BETTER HEALTH

HALF YEARLY REPORT

FOR THE SIX MONTHS ENDED 31 MAY 2019

Chairman's and Chief Executive's Statement

For the six months to 31 May 2019

We are pleased to present OptiBiotix Health plc's interim results for the six month period ended 31 May 2019.

This period reflects the continued transition of OptiBiotix from a research and development company into a commercial business, with twelve commercial deals in six months, six for SlimBiome and six for LP-LDL. These include a strategic move in to the large Asian market with Zeon LifeSciences manufacturing and distributing SlimBiome in India, and Eiwa Trading distributing LP-LDL in Japan. This period also includes the launch of LP-LDL in pharmacies of El Corte Inglés, Spain's biggest department store, through our partner IENP. OptiBiotix has now completed forty-four deals since March 2017 reflecting international interest in its technology and products.

Of particular note in the last six months was the achievement of a CE mark and medical device status for SlimBiome Medical product and GRAS status for LP-LDL. These represent significant value enhancing steps as they extend the commercial opportunities for LP-LDL and SlimBiome into the high value medical products and pharmaceutical drug markets. The value for these products has yet to be realised as SlimBiome Medical was only available from our manufacturer at the end of this accounting period. We anticipate revenues in H2 2019 from SlimBiome Medical, and depending on deal progress, revenues from sales of LP-LDL into food and dairy products in H2 2019 or 2020. 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.

We are particularly pleased that in addition to winning awards for our science and products we are receiving excellent customer reviews from our partners and on our online store with large reductions in cholesterol in customers using CholBiome X3 and typical weight loss of 2-3lbs per week reported with SlimBiome and GoFigure® products. This, and the launch of LP-LDL in pharmacies of El Corte Inglés, Spain's biggest department store, has encouraged us to develop our online and retail presence. Whilst our online store has been seen as a shop window for our technology the announcement of a deal with BioEnergiser in July 2019 is a strategic step to take OptiBiotix's own label products direct to the UK consumer. Direct to consumer sales bring immediate reportable revenue in contrast to business to business profit sharing and royalty payments that are often paid half yearly or quarterly in arrears, with first revenues often realised 12-18 months after signing an agreement. This strategy helps build brand awareness and complement any potential launch of products with one or more major retailers in 2020.

Whilst we continue to see revenue growth in this half year, nearly double (1.8x) H1 2018, based on sales history we expect the majority of income to be recorded in H2 2019, as in 2018. Future income growth could benefit from confirmation by a large corporate partner launching products in Q1 2020, plans for launch of own label product with a major retailer in early 2020, and growth in online direct to consumer sales benefiting from marketing our own brand products direct to TV and home shopping channels and in national newspapers as part of the BioEnergiser deal. We are particularly pleased that, as our brands start to achieve international recognition we are seeing increased retail interest and larger corporate partners committing to product launches in 2020.

As the promise of the microbiome materialises into an increasing range of products and territories across OptiBiotix's platforms, and more agreements start to translate into revenue streams, there is potential for a significant enhancement in the value of the Company. We believe our strategy will continue to generate industry interest and create an extensive pipeline of opportunities across all our platforms in the months and years ahead.

KEY ACHIEVEMENTS

During the period to date we have achieved a number of key objectives which continue to build shareholder value. These include:

- The award of a CE mark and registration of SlimBiome as a medical device and first product orders in Europe
- The appointment of Zeon Lifesciences Ltd to manufacture and supply OptiBiotix's SlimBiome weight management technology in India
- The appointment of EIWA Trading Company to import, market and distribute OptiBiotix's cholesterol and blood pressure-reducing probiotic strain Lactobacillus plantarum LP-LDL in Japan
- The appointment of DKSH International Limited (DKSH), a £9.3bn turnover company to distribute SlimBiome in Italy and Spain
- The appointment of Extensor to import, market and distribute OptiBiotix's own label GoFigure® products in Poland. This is the start of a strategy to take OptiBiotix's own label GoFigure® products to international markets to build brand recognition, and create demand for SlimBiome, the functional ingredient within Gofigure® products

- The launching of LP-LDL in pharmacies of El Corte Inglés, Spain's biggest department store in all of Spain's major cities, with IENP under the "39ytú" brand
- The recognition of OptiBiotox's cholesterol and blood pressure reducing Lactobacillus plantarum LP-LDL probiotic strain determined as Generally Recognized As Safe (GRAS). GRAS is a United States Food and Drug Administration (FDA) designation and extends the potential applications of LP-LDL to use as a functional ingredient in food, dairy, and beverage products across the USA
- The award of a licence from the Food Standards and Safety Authority India (FSSAI) to OptiBiotix's manufacturing partner, Zeon Life Sciences, to manufacture SlimBiome and SlimBiome containing products in India
- An agreement with Nutrilinea Srl to develop a food supplement containing LP-LDL for the reduction of high blood pressure (hypertension). Nutrilinea will cover the cost of all product development, manufacturing and human studies in return for 12 months exclusivity for the European market. ProBiotix has exclusivity for the UK and all other markets outside Europe
- The presentation of three abstracts at ProBiota 2019 demonstrating:
  - ✓ The ability of OptiBiotix's sweet, no calorie fibres (SweetBiotix®) to modify the microbiome.
  - ✓ Clinical studies demonstrating the ability of SlimBiome® to reduce hunger, and cravings for sweet and savoury food, to help reduce weight loss in overweight and obese women. The data also showed the ability of SlimBiome to modify the gut microbiome composition, increasing the number of bacteria associated with leaner body types.
  - ✓ The ability of OptiBiotix's cholesterol reducing Lactobacillius Plantarum LP-LDL to kill a wide range of clinically important pathogens such as Campylobacter, Shigella, Salmonella, E.coli O157, and Clostridium difficile, the cause of serious hospital acquired infections.
- The appointment of Dr Frederic Narbel as Managing Director of OptiBiotix's prebiotic division
- The appointment of Stephen Prescott as Chief Executive of OptiBiotix wholly owned probiotic subsidiary, ProBiotix Health Ltd
- The raise of £1.025m of capital through the issue of convertible loan notes for OptiBiotix to provide funding for a potential initial public offering of wholly owned subsidiary ProBiotix Health, of which OptiBiotix subscribed £250,000

Subsequent to the period, OptiBiotix announced the appointment of Goetz Partner Securities in June 2019 as financial advisors to the Company with the aim of improving international institutional and family funds buy side access, particularly from within Europe, and to provide expert research analysis which can be distributed to specialist institutional investors around the world.

RESULTS

These results are reported using IFRS 15, a new international reporting standard, which during its first year may impact on the timing and reporting of revenues in the half year and full year audited results.

OptiBiotix results for six months ended 31 May 2019 are set out below. The results show revenue for the six months of £148,818 (2018: £80,560). These figures represent an almost doubling in revenues (1.8X) from H1 2018.

The majority of this income was generated from LP-LDL (£81,510), online GoFigure sales (£64,374), and GoFigure export sales (£20,276). There was very little contribution from SlimBiome ingredient, SlimBiome Medical (which was only available from our manufacturer at the end of this accounting period), and license or royalty payments which tend to be received in the second half of the year, and greatly influence gross margin.

Administrative expenses were £1,025,050 (2018: £1,020,446) with £157,112 non-cash expenses representing depreciation, amortisation and share based payment charges (2018: £135,055). The share of loss from OptiBiotix's associate, SkinBiotherapeutics (SBTX), is £248,117, increasing from £209,229 in 2018, reflecting an increase in SkinBiotherapeutics scientific and clinical trials activity. This is an accounting adjustment and has no impact on the Group's cash balance.

At 31 May 2019, the Company had £ 984,170 cash in the bank. Once R&D tax credits and recoverable VAT repayments are received, the balance was £1.24m. Post accounting period, the Company disposed of over £250,000 of its shares in SBTX reducing its holding from 38.9% to 37.6% to explore a potential acquisition opportunity and providing sufficient funds to see through existing plans.

BOARD AND MANAGEMENT

We continue to evolve the management team and Board in line with the stage of the Company's development with a number of significant additions to the executive team in the last six months. These are all part of a number of changes reflecting the continued transition of the Company into a profitable commercial business.

This transition requires a different skill set and level of gravitas, particularly in managing partners to deliver on sales forecasts. We were pleased to announce the appointment of Dr Fred Narbel at the end of December 2018 as Managing Director of OptiBiotix's prebiotic division containing its SweetBiotix, OptiBiotic and microbiome modulating technology platforms. Fred joined us from a position as Vice President of Sales for Nutrition Solutions at Agropur, a Canadian dairy company with annualised sales of $6.4bn. Fred joined the team in mid-March 2019 and brings extensive experience of selling speciality food ingredients in international markets, particularly in China and the USA. The integration of these divisions under the leadership of Fred will allow OptiBiotix to fully exploit complementary functionality and leverage existing partnership agreements. Christina Wood will step down from the Board and leave the Company by mutual consent.

At the end of May 2019 we announced the appointment of Stephen Prescott as Chief Executive Officer (CEO) of OptiBiotix's wholly-owned subsidiary, ProBiotix Health Ltd. Stephen joined us from a position as Vice President of Marketing and Applications from Probi AB, a Swedish probiotic company which had annualised sales of SEK604m in 2018. Prior to joining Probi, Stephen spent four years as Global Probiotic Product Manager at Dupont. Stephen joined us in July 2019 and brings extensive experience of commercialising probiotics in international markets, a wide network of industry contacts, and a strong track record of rapidly growing sales.

These changes are all part of a strategy to bring in experienced industry leaders with a track record of building revenues and better exploit the opportunities created by our growing pipeline of products in international markets. We anticipate seeing the full benefit of these appointments in the next six to twelve months.

We believe with the addition of Fred and Stephen to the executive team we now have strong commercial leadership across each area appropriate for this stage of the Company's development. These additions complement the scientific and commercial expertise in the founder and Chief Executive Stephen O'Hara, scientific expertise in Dr Sofia Kolida, market expertise in Non-Executive Director Peter Wennström, and governance, merger and acquisition expertise in our Non-Executive Director Sean Christie. They are complemented by our CFO Mark Collingbourne and Neil Davidson our Chairman.

We anticipate further additions and changes to both the executive and non-executive team in-line with the continued growth and expansion of the Company.

OUTLOOK

OptiBiotix is continuing its strategy of developing microbiome modulators with a scientific and clinical evidence base for large markets (>£100m) where there are high growth opportunities (CAGR >10%), and a large unmet need. Early commercial progress has been made with SlimBiome and LP-LDL with twelve commercial deals in the six months to 31 May 2019 and forty-four deals in total from March 2017. The large number of agreements signed in the last two years across multiple application areas and territories represent tangible evidence of early commercial progress. However, its important commercial partners deliver on their revenue forecasts to build sales in 2019 across all areas of the Company.

We recognise, from past experience, that all partners may not always meet our expectations and have mitigated commercial risk where possible by agreeing non exclusivity or offering exclusivity for a specific formulation and limited time period. This allows us to continue discussions and agree deals with multiple partners in the same territory to create a competitive position where partners have to perform to ensure they retain commercial rights.

This is all part of a strategy of closing out deals with multiple partners across different levels of the value chain, starting with manufacturing agreements, then complemented by royalty bearing license deals with formulation and distribution partners, and revenues for the supply of white label and branded products. As the value chain complete develops in each territory, and each application area, and distributors and retailers commence the sale of products, revenues should build.

Whilst this strategy takes longer to develop than single license deals and requires active management of multiple partners, this multi-channel approach enables OptiBiotix to maximize the income potential of each product, whilst limiting the risk related to any individual deal. This approach builds 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, increasing brand value, and with this shareholder value.

We anticipate continuing to see revenue growth in H2 2019 with confirmation of a large corporate partner launching products in Q1 2020, plans for launch of own label product with a potential major retailer in early 2020, and growth in online direct to consumer sales benefiting from marketing our own brand products direct to TV and on home shopping channels and in national newspapers. Whilst there are no guarantees these will all deliver expected sales revenues, and while changes to international accounting practices (IFRS 15) may impact on the timing of reporting revenues, we anticipate further revenue growth in the years ahead as existing agreements start to generate revenues, and new agreements continue to be signed.

As we look to commercialise our other products within our pipeline including SweetBiotix, OptiBiotics, and our microbiome modulators we will leverage our existing partner network to reduce the time to product launch, whilst continuing to extend our reach into new territories, increasing the scale of the opportunity. Revenue growth from these areas will benefit from the network and experience of international sales from the appointment of Frederic Narbel as Managing Director of OptiBiotix's prebiotic division.

The appointment of Fred and structural integration of the prebiotic division is an example of how the Company continues to evolve its Board and structure to exploit the range of opportunities and instil a commercial focus. This transition requires a different skill set and level of gravitas, particularly in managing a global partner network to deliver to partners own forecasts. To support this development we have appointed Fred and Steve Prescott to head the Prebiotic and Probiotic divisions respectively. These are experienced industry professionals with networks of contacts and track records of rapidly growing sales. Their role is to grow revenues in each of their divisions so each division becomes a profitable business unit. This was achieved for certain divisions within the Company at different times throughout the year. This now needs to be achieved for each division, and for the Company for the full year.

As these divisions are grown into profitable business units with commercial leaders with the sales experience to fully exploit the business potential, our aim is to separate certain wholly owned separate legal entities with the potential for an independent exit by a trade sale or listing separately or collectively in UK, Europe or the US, depending on market conditions. This allows OptiBiotix shareholders to benefit from the appreciation of this asset plus any dividends which may be returned in recognition of this value uplift. This is consistent with our strategy of providing investors a broad based investment portfolio across a number of areas in the microbiome space which diversifies risk, whilst offering shareholders multiple opportunities in this exciting space. The Company believe if the Probiotic division continues its current development to reaching commercial sustainability it has the potential to become a separate legal entity creating the possibility for an independent exit in late 2019 or 2020, subject to market conditions.

We anticipate further revenue growth will occur from our online platform (OPTIBIOTIX.Online) and our agreement with BioEnergiser. To support online sales growth we anticipate adding new products, including flavour drops, porridge pots, and our flavoured gummies. We anticipate revenues in 2019 H2 from SlimBiome Medical (which received its CE mark and medical device registration at the end of November 2018), a milestone payment met by manufacturing LP-LDL to FDA pharmaceutical standards, and license or royalty payments which are received in the second half of the year. We will also continue to explore acquisition opportunities where there is an opportunity to accelerate market entry, build sales more quickly, and a commonality in strategic focus.

As we extend our reach into new territories we will continue to invest in protecting our commercial interests by filing patents and trademarks to broaden protection. OptiBiotix now has an extensive and valuable intellectual property portfolio of over ninety patents and forty trademarks. Where these patents are infringed upon we will take action to defend our commercial interests.

The last six months has seen the continued transition of OptiBiotix® to a commercial business with twelve commercial deals in the six months to 31 May 2019 and forty-four deals in total from March 2017. The next stage of the process is to ensure these agreements deliver recurring revenue streams to build sales growth in 2019 against a continued low-cost base and create profitable divisions across all areas of the Company.

We are pleased that our strategy of developing microbiome products with a strong scientific and clinical evidence base with key opinion leader support has provided clear product differentiation and stimulated high commercial interest. We look forward to converting this interest into agreements in new territories and application areas in the months ahead to continue rapidly growing revenues in this new and exciting area of science which has the potential to revolutionise the future of healthcare. We look forward to the future with a stronger team, more deals, more products, and, most importantly, greater revenues.

On behalf of everyone at OptiBiotix Health we would like to thank our investors for their continued support and look forward to an exciting future.

N Davidson and S O'Hara
28 August 2019

Consolidated Statement of Comprehensive Income

For the six months to 31 May 2019

Continuing operations	Notes	6 months to 31 May 2019 Unaudited £	6 months to 31 May 2018 Unaudited £	Year to 30 November 2018 Audited £
Revenue		148,818	80,560	514,289
Cost of sales		(86,755)	(37,624)	(162,782)
Gross Profit		62,063	42,936	351,507
Share based payments		73,771	64,111	128,222
Depreciation and amortisation		83,341	70,944	141,908
Other administrative costs		867,938	885,381	1,508,273
Administrative expenses		(1,025,050)	(1,020,446)	(1,850,403)
Operating loss		(962,987)	(977,510)	(1,498,896)
Finance income/(costs)		(49,907)	63	169
Profit on disposal of subsidiary		–	–	–
Share of loss from associate		(248,117)	(209,229)	(448,223)
Profit/(Loss) before Income tax		(1,261,011)	(1,186,676)	(1,946,950)
Income tax		43,306	101,581	54,371
Profit/(Loss) for the period		(1,217,705)	(1,085,095)	(1,892,579)
Other Comprehensive Income		–	–	–
Total comprehensive income for the period		(1,217,705)	(1,085,095)	(1,892,579)
Total comprehensive income attributable to the owners of the company		(1,216,894)	(1,081,953)	(1,919,276)
Non-controlling interest		(811)	(3,142)	26,697
		(1,217,705)	(1,085,095)	(1,892,579)
Profit/(Loss) per share				
Basic & Diluted – pence	4	(1.43)p	(1.36)p	(2.33)p
Basic & Diluted before Profit on investment revaluation – pence		(1.43)p	(1.36)p	(2.33)p

Consolidated Statement of Financial Position

As at 31 May 2019

	Notes	As at 31 May 2019 Unaudited £	As at 31 May 2018 Unaudited £	As at 30 November 2018 Audited £
ASSETS				
Non-current assets				
Intangibles		2,526,369	1,868,388	2,253,089
Property, plant & equipment		3,143	6,062	3,143
Investments		3,492,682	3,979,793	3,740,799
		6,022,194	5,854,243	5,997,031
CURRENT ASSETS				
Inventories		109,241	30,151	30,433
Trade and other receivables		77,196	104,085	373,803
Current tax asset		265,079	274,236	303,952
Cash and cash equivalents		984,170	1,797,121	1,324,307
		1,435,686	2,205,593	2,032,495
TOTAL ASSETS		7,457,880	8,059,836	8,029,526
EQUITY				
Shareholders' Equity				
Called up share capital	6	1,708,811	1,658,100	1,694,488
Share premium		1,646,873	1,451,613	1,603,904
Share based payment reserve		676,510	523,443	602,739
Non Controlling Interest		36,086	(3,142)	36,897
Convertible loan note reserve		92,712	–	–
Merger relief reserve		1,500,000	1,500,000	1,500,000
Accumulated profit		407,454	2,468,731	1,624,348
Total Equity		6,068,446	7,598,745	7,062,376
LIABILITIES				
Current liabilities				
Trade and other payables		188,608	88,296	520,989
		188,608	88,296	520,989
Non-current liabilities				
Deferred tax liability		518,488	372,795	446,161
Borrowings		682,338		
		1,200,826	372,795	446,161
TOTAL LIABILITITES		1,389,434	461,091	967,150
TOTAL EQUITY AND LIABILITIES		7,457,880	8,059,836	8,029,526

Consolidated Statement of Changes in Equity

For the six months to 31 May 2019

	Called up Share Capital £	Share Premium £	Share-based Payment Reserve £	Non Controlling Interest £	Merger Relief Reserve £	Convertible loan note reserve £	Retained Earnings £	Total Equity £
Balance at 30 November 2017	1,586,628	6,279,718	474,517	10,200	1,500,000	–	(2,805,347)	7,045,716
Profit for the period	–	–	–	–	–	–	(1,085,095)	(1,085,095)
Issued share during the period	71,472	1,520,866	–	–	–	–	–	1,592,338
Share based payment	–	–	48,926	–	–	–	–	48,926
Cancellation of share premium account	–	(6,348,971)	–	–	–	–	6,348,971	–
Non Controlling interest	–	–	–	(3,142)	–	–	–	(3,142)
Balance at 31 May 2018	1,658,100	1,451,613	523,443	7,058	1,500,000	–	2,458,529	7,598,743
Loss for the period	–	–	–	29,839	–	–	(834,181)	(804,342)
Issue shares during the period	36,388	152,291	–	–	–	–	–	188,679
Non-Controlling Interest	–	–	–	–	–	–	–	–
Share based payment	–	–	79,296	–	–	–	–	79,296
Balance at 30 November 2018	1,694,488	1,603,904	602,739	36,897	1,500,000	–	1,624,348	7,062,3766
Loss for the period	–	–	–	(811)	–	–	(1,216,894)	(1,217,705)
Issue of shares during the period	14,323	42,969	–	–	–	–	–	57,292
Share based payment	–	–	73,771	–	–	–	–	73,771
Issue of convertible loan notes	–	–	–	–	–	92,712	–	92,712
Balance at 31 May 2019	**1,708,811**	**1,646,873**	**676,510**	**36,086**	**1,500,000**	**92,712**	**407,454**	**6,068,446**

Consolidated Statement of Cash Flows

For the six months to 31 May 2019

	6 months to 31 May 2019 Unaudited £	6 months to 31 May 2018 Unaudited £	Year to 30 November 2018 Audited £
Reconciliation of loss before income tax to cash outflow from operations			
Operating loss	(962,987)	(977,510)	(1,498,896)
Decrease/(Increase) in inventories	(78,808)	(21,261)	(21,543)
(Increase)/decrease in trade and other receivables	296,607	2,035	(267,681)
(Decrease)/increase in trade and other payables	(332,380)	(151,099)	281,594
Share Option expense	73,771	48,926	128,222
Depreciation	–	2,507	2,187
Amortisation of patents	83,341	56,149	139,721
Loss on disposal of tangible and intangible assets	–	–	2,679
Net cash outflow from operations	(920,456)	(1,040,253)	(1,233,717)
Interest received	(49,907)	63	169
Tax Received	154,505		
Net cash outflow from operating activities	(815,858)	(1,040,190)	(1,233,548)
Cash flows from investing activities			
Purchases of property, plant and equipment	–	(2,459)	(2,954)
Purchase of intangible assets	(356,621)	–	(467,639)
Net cash (outflow)/inflow from investing activities	(356,621)	(2,459)	(470,593)
Cash flows from financing activities			
Share issues	57,292	1,592,339	1,781,017
Proceeds from borrowings	775,050		
Net cash inflow from financing activities	832,342	1,592,339	1,781,017
Increase/(decrease) in cash and equivalents	(340,137)	549,690	76,876
Cash and cash equivalents at beginning of year	1,324,307	1,247,431	1,247,431
Cash and cash equivalents at end of year	984,170	1,797,121	1,324,307

1. General Information

Optibiotix Health Plc is a company incorporated and domiciled in England and Wales. The company's offices are 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 year ended 30 November 2018, prepared under 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 International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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 30 November 2018, with the exception of the new accounting standards that were adopted during the period. These are:

- IFRS 9 'Financial Instruments' replaced IAS 39 'Financial Instruments Recognition and Measurement'. The standard is effective for accounting periods beginning on or after 1 January 2018 and was therefore implemented with effect from 1 December 2018. The Group has completed an assessment of IFRS 9 and adoption has not had a material impact on the results or financial position of the Group. Additional disclosures required under the new standard will be made in the annual report and financial statements for the year ending 30 November 2019.
- IFRS 15 'Revenue from Contracts with Customers' is effective for periods beginning on or after 1 January 2018 and therefore has been implemented with effect from 1 December 2018. The core principle of the standard is to ensure that an entity recognises revenue once it has fulfilled its performance obligations, which are met through transferring control of a product or service to a customer, at an amount that reflects the consideration to which the entity expects to be entitled.

It has been concluded that the adoption of IFRS 15 does not have a material impact on revenue recognition for any of the Group's revenue streams. Therefore, no adjustment for first time adoption has been made to either comparative figures or opening reserves in the statement of financial position.

3. Segmental Reporting

In the opinion of the directors, the group has one class of business, being that of research and development. The group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment.

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 31 May 2019 Unaudited	6 months to 31 May 2018 Unaudited	Year to 30 November 2018 Audited
Basic			
Earnings attributable to ordinary shareholders	(1,216,894)	(1,081,953)	(1,919,276)
Weighted average number of shares	85,178,415	79,270,322	82,233,690
Earnings (Loss) per-share – pence	(1.43)p	(1.36)p	(2.33)p
Diluted			
Earnings attributable to ordinary shareholders	(1,216,894)	(1,081,953)	(1,919,276)
Weighted average number of shares	85,178,415	79,270,322	82,233,690
Earnings (Loss) per-share – pence	(1.43)p	(1.36)p	(2.33)p

Basic and diluted earnings per share are the same for the 6 months to 31 May 2019, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 31 May 2019 there were 6,041,057 outstanding share options and 329,386 outstanding share warrants.

5. Investments in associate undertakings

Company

	£
Cost	
At 30 November 2017	4,189,022
Additions	–
Share of associate loss for the year	(448,223)
Carrying amount	
At 30 November 2018	3,740,799
Share of associate loss for the six months	(267,891)
Carrying amount	
At 31 May 2019	3,472,908

6. Share Capital

Issued share capital comprises:

	6 months to 31 May 2019 Unaudited £	6 months to 31 May 2018 Unaudited £	Year to 30 November 2018 Audited £
Ordinary shares of 2p each			
85,440,551	1,708,811	1,658,101	1,694,448
	1,708,811	1,658,101	1,694,448

During the six months to 31 May 2019 the company issued ordinary shares of £0.02 each listed, exercised at a price of £0.08 per share in the capital of the company following the exercise of options and warrants and a placing:

Date issued	Number
24/01/2018	7,813
12/03/2018	708,325
	716,138

7. Post balance sheet events

No post balance sheet events.

optibiotix.com

OptiBiotix® HEALTH PLC

BETTER SCIENCE, BETTER HEALTH

To find out more please contact OptiBiotix on:

info@optibiotix.com

OptiBiotix Health Plc | Innovation Centre, Innovation Way, Heslington, York, YO10 5DG, UK.

Perivan 255842