30 June 2025

OptiBiotix Health plc
(“OptiBiotix” or the “Company” or the “Group”)

Final results
Notice of Annual General Meeting & Investor Presentation

OptiBiotix Health plc (AIM: OPTI), a life sciences business developing products which reduce hunger and food cravings, enhance the gut microbiome, and sweet fibres as healthy sugar substitute announces its audited results for the 12 months ended 31 December 2024.

Highlights

- £1,004k orders received with reportable revenue for the year up 35% to £870k (2023: £644k)
- Sales and marketing investment in Ecommerce, India and the USA starting to show strong returns across all areas of the business reducing dependency on a small number of partners or territories:-
    - Ecommerce sales up from £186k to £387k (+108%) with Amazon sales up 156% and a 290% increase in subscriptions
    - Launch of products in India with Morepen in December 2024 leading to £171k of revenues, up from marginal revenues in 2023
    - Good early sales growth in Asia, albeit from a low base
    - First order received from a USA partner, Daily Nouri
- Launch of LeanBiome in MuscleTech, a market leader in sports nutrition
- Clearance of the large stock overhang at Maxum (48mt) and Cambridge Commodities (16mt) which has impacted on reportable revenues in the last few years
- Fixed operating costs are slightly lower for the year £1,605k (2023: £1,662k). We anticipate fixed costs to reduce in 2025 through reductions in PR, Broker and staff costs
- The Company ended 2024 with a strong balance sheet of £9m (2023: £9.4m), a strong cash position of £739k (2023: £635k), no debt and a growing pipeline of existing customers reordering and new customers looking to launch

Post period end

- The recovery in sales in 2023 and sales growth in 2024 has continued into 2025 with order book for Q1 2025 higher than the sales achieved H1 2024.
- Launch of multiple SlimBiome® containing products on Amazon India
- Launch of first product in the USA, a FeelFull prebiotic lemonade containing SlimBiome®, by Daily Nouri
- Launch of products containing SlimBiome® with a NASDAQ listed partner
- First order from a leading weight management brand in the USA looking to launch two products containing SlimBiome online and subsequently in Walmart USA
- New six metric tonne order received from Brenntag in Q2, the Company’s new Australian distributor
- New customers in Asia in 2025 at various stages of product development and launch ensuring continued strong growth in this region
- Repeat order from Morepen in H1 with larger order expected in H2 as the products enter retail. New product development underway to expand product range
- Study published in European Journal of Nutrition looking at glycaemic control and insulin response. Study conducted in partnership with leading US weight management brand
- Successful placing to raise £750,000 in May 2025 to support sales growth in the USA

- Ongoing discussions with a number of major brands to incorporate SweetBiotix and microbiome modulators in their products

The Annual Report and Financial Statements, which will be sent to shareholders today, contains a Notice of Annual General Meeting ("AGM") which will be held at 12pm on 6 August 2025 at the offices of Walbrook PR, 75 King William St, London, EC4N 7BE.

Investor briefing
Stephen O'Hara and his team will provide a live presentation to investors to discuss the results via the Investor Meet Company platform on Thursday, 3 July 2025 at 2pm BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet OptiBiotix.

To register for the presentation, please use this link:
https://www.investormeetcompany.com/optibiotix-health-plc/register-investor

Stephen O'Hara, CEO of OptiBiotix Health plc said: *"After restructuring the management team in 2023 and focus on investing in key strategic markets in the USA, India, and ecommerce, 2024 has seen strong sales growth across all areas of these businesses. Sales have continued to grow in 2025 and should accelerate as we see the full year effect of 2024 launches, new partners launching products in the USA and Asia, and ecommerce continuing its growth trajectory with the launch of products on Amazon India.*

"Our investments in sales and marketing are starting to deliver a multi-channel, multi territory revenue stream, reducing reliance on a single partner or territory. We continue to see sales momentum building across all areas with Q1 sales and orders in 2025 higher than H2 2024 and continuing in Q2. This has been helped by a 6mt order from Brenntag in Australia. We are particularly pleased to have cleared the large stock overhang held in Australia and the UK which has impacted on reportable revenues in the last few years.

"As the Company reduces its PR, broker, and staff costs and its investment in marketing and R&D, and continues to grow its top line and improves margins, all parts of the business should become profitable and the Group generate positive cashflow.

"This means we enter 2025 with a strong balance sheet (£9m) and cash position (2024: £739k; 2023: £635k) no debt, a strong order book supported by a pipeline of existing customers reordering, new customers looking to launch, and appreciating assets through our shareholdings in PBX and SBTX.

"On behalf of the Board, I would like to thank our shareholders for their patience and ongoing support, and anticipate continuing on an upward trajectory for the remainder of 2025 and beyond."

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:

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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 programme 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.

Chairman's report

This has been a year of strong sales growth and good strategic progress, delivering against the major objectives we set ourselves for 2024: increasing our number of partners and sales in our key target markets of the USA and Asia, growing our direct-to-consumer sales through investment in e-commerce channels, and increasing sales of both final branded and white label products containing our ingredients so as to deliver a dual income stream.

Strategy and business development

From its inception, the business has had a clear strategic focus on developing unique products with proven functional benefits in high growth markets around the world, and balancing risk and reward by building sales of its first-generation products while developing more innovative second-generation products with even greater potential.

Heightened industry and consumer awareness of the importance of reducing hunger in achieving weight management has driven growing appreciation of the benefits of our key first-generation product SlimBiome®, whose effectiveness in reducing hunger and food cravings has been proven in multiple human studies. These have allowed us to gain regulatory approval in many territories worldwide that permit us to make on-pack health claims that distinguish SlimBiome® from competing products. This in turn is helping us to attract stronger business partners who are willing to make investments in marketing to drive sales growth, laying the foundations for a substantial global business in the years ahead.

At the same time, we have progressed discussions with a number of major partners to bring our second-generation products to market, presenting opportunities that are potentially transformational for the Company and shareholders alike. We remain confident that these discussions will lead to a successful outcome.

Results

The strong sales momentum re-established after our management change early in 2023 continued into 2024 with orders increasing by 56% to £1,004k and delivered sales up by 35% to £870k. Selling costs have increased to £651k (2023: £125k). Fixed operating costs remain flat for the year at £1,605k (2023: £1,661k) and should reduce through 2025 with actions already taken to reduce in PR, Broker and staff costs.

Selling costs increased as planned due to investments in sales and marketing in India with Morepen, setting up cost for Amazon India, and online sales in China and Europe. These investments have led to increased revenue growth across all parts of the business. As we continue to grow sales and improve margins whilst reducing fixed costs (PR, Broker, R&D, staff), and our continued investment in marketing, all parts of the business and the Group should become profitable

We continue to enjoy a strong balance sheet, with gross assets at the year-end of £9m (2023: £9.4m) and cash of £739k (2023: £635k).

The Board

David Blain was appointed to the Board as Finance Director and Company Secretary on 7 January 2025. He brings to us extensive financial, commercial and board experience with a range of private and public companies including Iksuda Therapeutics Ltd, Applied Graphene Materials plc, Nanoco Group plc and Inspired Capital plc. In his part-time role with us he will focus on enhancing our divisional P&L accounting and improving the control of costs throughout the Group, with the aim of moving each division and ultimately the Group to profitability. David joined the Company on 1 November 2024, prior to Graham Myers' retirement from the Board on 30 November 2024. Graham joined us in the part-time role of Finance Director a year earlier, and had resigned due to other commitments. We are grateful to Graham for his contribution to the business and wish him well for the future.

Outlook

We made a very strong start to the new financial year, with our order book for Q1 2025 surpassing the sales we achieved in H1 2024. We are beginning to see returns from the investments we have made to grow our business in India, the USA, Asia and Ecommerce with growing sales in all parts of the business. Having sales and manufacturing in multiple territories helps mitigate risk from country specific tariffs or regional disputes which have become more common in recent times. Building our ecommerce channels has demanded a significant initial investment in marketing to build awareness and brand recognition and create interest and drive sales growth. As we convert an increasing proportion of our ecommerce customers to subscribers, marketing expenditure is expected to decrease and we believe that we can look forward to all parts of the business becoming profitable and generating positive cashflow.

R C N Davidson
Chairman
27 June 2025

Chief Executive Officer's report

We have made excellent commercial progress during 2025, with our investments in the key strategic markets of India, the USA and Asia delivering larger partners who are investing in marketing our products, leading to strong sales and early repeat orders. Our key first-generation products are well positioned to benefit from growing industry and consumer interest in the suppression of hunger and appetite as a route to managing weight with on-pack health claims that give us a key point of difference. The clearance of a substantial stock overhang during the year has eliminated a significant drag on our reported sales and we entered 2025 with a strong order pipeline. Our focus is now on improving margins and reducing costs to bring the business to profitability, while we continue to develop the huge potential of SlimBiome in managing hunger in a market with strong consumer interest, WellBiome in improving gut health, and our second-generation product portfolio.

Strategic overview

OptiBiotix Health (AIM: OPTI) is a life sciences business focused on the development of products which reduce hunger and food cravings, enhance the gut microbiome, and provide a healthy substitute for sugar.

Our strategic approach has been designed to reduce risk and maximise opportunities for investors by recognising the challenges inherent in bringing new technologies and products to a naturally conservative global food market, where consistency and risk avoidance are key and the acceptance of new products is notoriously slow.

Since our inception we have developed an extensive portfolio of microbiome assets including not just prebiotic products like SlimBiome®, WellBiome®, SweetBiotix® and Microbiome modulators within our core OPTI business, but also skincare through SkinBioTherapeutics PLC (SBTX) and probiotics through ProBiotix Health plc (PBX). Together these create a diverse portfolio of tangible assets in an emerging area of healthcare that is of growing interest in consumer markets throughout the world. We are pleased to note strong commercial progress made by both SBTX and PBX during the year, and we see considerable potential for further growth in both these companies in the future. As sales continue to grow and these companies reach profitability we expect their value to increase. This gives us the potential to realise value through the sale of shares, so as to reduce our need to fundraise in a volatile market, or to return cash to our shareholders through an ad hoc dividend.

Within OptiBiotix, our 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. These products have been developed to anticipate and align with global megatrends and growing market needs as illustrated by the following market reports:

- Proven scientific and clinical efficacy is a key consumer requirement in purchasing health products: The top wellness trends in 2024 | McKinsey

- Natural weight management/appetite suppressants like SlimBiome®: https://www.verifiedmarketreports.com/product/appetite-suppressants-market/

- Digestive Health and the Microbiome (WellBiome®, Microbiome modulators): Ten Key Health and Nutrition Trends for 2024 - KHNI (kerry.com)

- Sugar reduction (SweetBiotix®): Ten Key Health and Nutrition Trends for 2024 - KHNI (kerry.com)

The years we have spent undertaking clinical studies to establish robust health claims for our first-generation products mean that SlimBiome® has now achieved scientific credibility and acceptance by major partners and consumers as a proven aid to weight management. This has allowed us to gain regulatory approval in multiple international territories across Europe, North America, Asia and Australasia for on-pack health claims which are key to differentiating our product from competitors in a large but crowded marketplace. We note that one of the USA's biggest weight management brands has placed an order to include SlimBiome in their products with on pack reference to studies showing a 73% and 82% reduction in hunger. This partner intends to launch products in Walmart stores. We have also successfully extended our technology into new channels such as sports nutrition with LeanBiome® already incorporated into two of the world's leading sports nutrition brands, Myprotein and MuscleTech, and into new product areas such as gut and digestive health with WellBiome®.

The last year has seen a significant change in industry and consumer awareness of the impact of reducing hunger and cravings on weight management, something OptiBiotix first reported in consumer studies on its SlimBiome® product as long ago as 2016 (announced: 6 September 2016). This interest in bringing functionality, like reducing hunger and cravings, into weight management has meant that traditional brands like Slimfast and Weightwatchers who have not focused on these areas have lost market share and opened up new opportunities for functional products. Confirmation of the ability of SlimBiome® to reduce hunger and cravings through a series of independent human studies, published in peer reviewed journals, is enabling us to attract international partners, who are willing to invest significant amounts in advertising to quickly grow their market share and so increase the potential for strong sales growth.

Throughout the world, increasing governmental, medical, scientific, media and consumer interest in the growing challenge of obesity has helped OptiBiotix in raising awareness of the potential for our clinically proven product, SlimBiome®, which works in a similar way to injectable weight loss GLP-1 agonists like Semaglutide, marketed as Ozempic and Wegovy, in reducing hunger and cravings to support weight loss in overweight individuals by reducing hunger and cravings – but in a totally natural, non-invasive way, and without any adverse side effects.

News releases from Universities highlighting the potential for SlimBiome® as a natural alternative to Ozempic and Wegovy helped us to secure a number of interviews with specialist journalists and a notable article appeared in the August 2024 issue of *Nutrition Industry Executive (NIE)*, a publication widely read by industry decision-makers in the USA.

While OptiBiotix's commercial focus has been on overweight individuals, recent work with dieticians at a speciality London obesity clinic has indicated that SlimBiome® may have potential as an adjunct to treatment with Ozempic/Wegovy.

Reports suggest that patients taking anti-obesity drugs often experience a decreasing effect over time, despite increasing their dose. To counter this, a small number of patients were given SlimBiome® with patients reporting an enhanced appetite suppressant effect. Work is ongoing to explore whether SlimBiome® combined with Ozempic may help to reduce drug dosage (and cost) and enhance or prolong the appetite suppressant effect of these anti-obesity drugs.

The high market valuations attached to potentially effective weight management products was underlined in March 2025 by the collaboration agreement signed between the Swiss drug manufacturer Roche and Zealand Pharma of Denmark for the development of Zealand's drug Petrelintide, worth up to US$5.3 billion: https://www.reuters.com/business/healthcare-pharmaceuticals/roche-develop-commercialize-obesity-drug-with-zealand-pharma-2025-03-12/ .

The Group now has approved health claims, a broad IP portfolio, a network of manufacturing and distribution partners, and is growing its brands in multiple markets around the world. Whilst building sales in diverse international markets takes longer than just building sales in home markets, it reduces the risk of our products being copied in other territories and builds multiple revenue streams. This creates the foundations for a substantial global business in the years ahead.

The Group is at a significant point with its second-generation products, with discussions ongoing with a number of major partners, including two well-known brands of popular beverages, which we hope will lead to material news flow in the near future. These brands are interested in a range of our products which cross over different parts of their businesses. We are pleased to report that our SweetBiotix® products have now been tested by an independent expert tasting panel and in a range of branded drinks, dairy products and as a bulk product and have shown significant taste advantages over sugar. Partner testing has shown similar results.

We are continuing to work with DSM-Firmenich and a manufacturer who supplies products to major corporates like Unilever which uses 10,000 metric tonnes of sugar per annum in addition to a number of other companies looking to incorporate SweetBiotix® into their products.

The substitution of sugar with SweetBiotix® in partner products is a complex process requiring input from multiple teams within large companies (R&D, regulatory, product innovation/ development, IP/legal, manufacturing, commercial etc) often with conflicting priorities. Whilst frustrated by the length of time this process is taking, we are pleased at the level of engagement and the steady progress being made, and we are confident of a successful outcome. A number of these partners are global brands and have strict confidentiality conditions in place and regularly screen for use of their names in chat rooms and other media forums. We ask investors to understand our need to respect our commitment to our confidentiality agreements to protect their interests and avoid damaging our commercial relationships.

We also continue to 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.

Scientific overview

Our recent R&D activities have focused on the following areas:

SlimBiome®

Double blind, controlled human intervention studies on the impact of a single dose of SlimBiome® intake on glycaemic and insulin response, and measures of fullness and hunger over a 2.5 hour period have been completed in:

- 16 healthy weight adults (University of Roehampton): showing a significant impact on insulin response, a significant reduction in hunger and an increase in fulness. This has been accepted for publication in the European Journal of Clinical Nutrition, one of the leading journals in its field.
- 20 overweight adults (Brunel University of London): showing a significant reduction in hunger. We are submitting this study for publication in the Journal of Functional Foods.

The first study has been accepted for a presentation by Prof. Adle Constabile at the International Prebiotic Association conference in June 2025. We are awaiting the outcome of the second study which was submitted for a presentation at the Nutrition Society summer meeting in 2025. These studies, presentations, and publications are important in marketing and to substantiate health claims by regulatory bodies.

WellBiome®

We have undertaken a study on the impact of WellBiome® in a novel *in vitro* model of the human gut. The main aims of the study focus on:

- The impact of WellBiome® on microbiome composition and short chain fatty acid production in conditions simulating the three parts of the human large intestine.
- The impact of WellBiome® fibres (XOS, inulin) individually on the above-mentioned parameters to demonstrate the superior performance of WellBiome®.

Result analysis is ongoing. Data shared to date show a superior impact of WellBiome® compared to Inulin and XOS:

- It supports gut microbiome stability in all gut areas.
- It supports beneficial bacteria (bifidobacteria) in all gut areas.
- It reduces potentially pathogenic bacteria.
- It increases short chain fatty acid synthesis in all gut areas.

This study has been accepted for poster presentation at the International Prebiotic Association conference in June 2025.

On the basis of the above preliminary outcomes, we have been approached by the MiGut research group in the University of Leeds to support a grant application looking into the impact of WellBiome® in promoting gut microbiome resilience and stability during antibiotic intake. We will be investigating both a prophylactic and a treatment effect in gut models. The global antibiotic-associated diarrhoea (AAD) treatment market is projected to grow from $1.43 billion in 2024 to $4.62 billion by 2034, with a compound annual growth rate (CAGR) of 12.4% (FactMR, 2025).

Additionally, we are submitting a further BBSRC/MRC grant application for a clinical study looking at the impact of WellBiome® intake eight weeks prior to open heart surgery in patients. This study has NHS ethics approval and was delayed due to change in universities from the principal investigator. It would be a double-blind placebo control and primary outcomes will be relevant to time in ICU, post operative recovery, and complication occurrence among others. Data will additionally be correlated to a very large NHS database of past operations whereby we can patient match for outcomes. If positive, this could be a very high impact study for WellBiome®.

Consumer Health and Ecommerce

We made significant investments in our Ecommerce business during 2024 to drive direct-to- consumer sales as a strategic move to reduce reliance on retail partners and 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, IP and messaging whilst reducing reliance on distributors to grow our brands.

This investment drove a 108% increase in total Ecommerce sales during the year to £387k (2023: £186k). The largest single area of growth was Amazon, where our sales increased by 156%. Sales in China grew by 28% and direct sales through our own website by 5%. In terms of profitability, our own website was profitable every month and overall in 2024 due to its low marketing spend; China was profitable for seven out of the twelve months and recorded a small overall loss for the year; while Amazon was loss-making every month due to the significant investment in marketing needed to grow the customer base.

As we grow our subscriber base and increase sales from repeat purchases, marketing costs should reduce as a percentage of sales which should lead us to profitability on Amazon. The Company has successfully moved to the Fulfilment By Amazon model ('FBA') which allows customers to receive faster delivery through Prime accounts. This has helped Amazon subscriptions increase from 82 to 320 (a 290% increase) with subscriptions now making up just under 30% of our overall Amazon sales and SlimBiome® consistently ranked among Amazon's top best sellers for anti-appetite-suppressants.

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 the year we were pleased to announce 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 the inclusion of LeanBiome® in this leading global sports brand is a significant endorsement of our product.

This means that 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 Q4 we received our first order of just under one metric tonne of SlimBiome® from Daily Nouri, a well-regarded US brand known for its science-backed, clinically supported probiotic and prebiotic solutions impacting on gut health. These are sold through its own online store, Amazon and major retailers including Walmart and Albertsons. This order was in preparation for the launch in February 2025 of a new FeelFull prebiotic lemonade drink containing SlimBiome®, with on-pack health claims which state daily use supports 'reduced appetite and cravings' and a 'feeling of fulness' supported by our own multiple clinical studies.

We are also working with two additional partners in the USA who expect to launch in 2025. One is a NASDAQ listed USA e-commerce and direct selling company to which we supply a tomato soup final product containing SlimBiome®, and the other is one of the largest players in the US weight management market. The launch of products with either partner will increase brand awareness of SlimBiome® in the USA and drive further partner interest.

Discussions are also ongoing with a number of large US partners to commercialise our second-generation SweetBiotix® sugar substitute and microbiome modulators.

As we grow our sales in the USA, particularly in the light of constantly changing tariffs, we will need to warehouse stock and set up a USA subsidiary to support the short lead times required by retailers and ecommerce partners. We believe our North America business has taken a significant step forward in 2024 and we expect it to be profitable in 2025 and making a material contribution to overall profitability going forward in subsequent years.

OptiBiotix Health India

India is already the most populous nation on Earth, with 1.4bn consumers, a growing middle class population and an obesity prevalence of more than 40%, presenting a huge area of opportunity for weight management products.

Our business took a material step forward with the announcement in March 2024 of a major new partnership with Morepen to sell products containing SlimBiome® under the Dr Morepen brand, which is an established, well-known and trusted brand in the Indian market. In December we were pleased to announce the launch of Dr Morepen's newly developed LightLife brand, initially comprising six products containing SlimBiome®, supported by a comprehensive marketing plan with a shared budget of over £1.5m with OptiBiotix's contribution linked to receipt of orders. LightLife is being positioned as India's first 360° weight management plan and is being sold through Morepen's own website, all major ecommerce platforms in India, and will be available in more than 5,000 pharmacies across all the key cities in the country by late 2025.

We believe that our agreement with Morepen and the upcoming launch of more products under the Dr Morepen brand, plus other partner launches and the reorder of products by Apollo Pharmacies, could generate significant revenues.

During the year we have enjoyed continued steady growth in revenues with our partners in Vietnam, Thailand, Indonesia, Malaysia and Singapore, engaging customers who are launching new products in the region.

Australia

We have cleared the substantial stock overhang held in Australia by our former distribution partner Maxum and secured a new partnership agreement with a larger company, Brenntag, a €9.2bn specialist ingredient and pharmaceutical supplier. We have continued to grow sales of our OptiBiome® prebiotic fibre (an alternative trademark to SlimBiome®) to our partner Optipharm in their Optislim and Optiman ranges, and are actively seeking additional partners in Australia to reduce the risk always associated with reliance on a single major partner in any market.

Results

Our order book and delivered sales grew strongly throughout the year, with total revenues increasing by 35% to £870k (2023: £644k). Orders increased at an even faster rate, growing by 56% to £1,004k with £134k of orders carried forward for delivery in 2025.

Just under half our total revenues during the year were generated by Ecommerce, with India and business-to-business ingredient sales in Europe and Asia making up just under 40%. Licence fees received accounted for over 10% of revenues, with only a small sales contribution from the USA.

During the year we finally cleared a large overhang which at one stage reached 64 metric tonnes of SlimBiome® stock purchased during the Covid years of 2020/2021 by our partners Maxum in Australia and Cambridge Commodities in the UK. This overhang meant that sales from these partners to their customers were not fully recognised in our 2024 accounts, while our gross margins were impacted by our repurchase of some of this stock at its original sale price for supply to other customers in Asia, Europe and the USA at a slightly higher price. We anticipate margin to recover in H2 2025 now that this stock overhang has been cleared,

Selling costs increased as planned due to investments in sales and marketing in India with Morepen, setting up cost for Amazon India, and online sales in China and Europe. As a result of these investments, we are seeing revenue growth accelerate into 2025 across all parts of the business.

Other operating costs remain flat for the year at £1,605k (2023: £1,661k) despite now carrying full cost for employees previously shared with ProBiotix Health plc. We anticipate fixed costs to reduce in

2025 through actions initiated earlier in the year to lower PR, Broker and staff costs. The Company has a small team considering we have products in numerous geographies. Currently it stands at two non executive directors, eight full time employees, and a part time Finance director, who all work from home, significantly reducing infrastructure costs. Staff costs will reduce further in July 2025 as we remove the need for an inhouse regulatory employee.

As we continue to grow sales and improve margins whilst reducing fixed costs (PR, Broker, R&D, staff), and investment in marketing all parts of the business and the Group should become profitable.

The Company remains in robust financial health with the balance sheet showing gross assets of £9m (2023: £9.4m), no debt and net cash at the year-end of £739k (2023: £635k). Since the year-end the Company has sold 2,248,389 SBTX shares at an average price of 22p, generating gross proceeds of just over £500k and raised a further £750k in May 2025 via a placing.

Outlook

The current financial year has started strongly, fuelled by continued consumer demand in our ecommerce channels, and new orders and reorders from India, the USA and Asia.

Last year's strong sales growth in Ecommerce has continued to date and is expected to accelerate with the recent launch of products on Amazon India, where we are focusing on building awareness to generate sales, gain reviews and ultimately win subscriptions. We are also broadening our offer to consumers with the launch of a new raspberry SnackSmart SlimBiome® Indulgence bar, which tasting suggest will be our most popular product yet. Such product launches maintain consumer interest through the normal, seasonal dips and troughs in the weight management market, and help to drive an increase in average order value. We believe that further investment in Ecommerce will accelerate revenue growth through this channel.

In North America, the initial launch through Daily Nouri's own online store and Amazon USA of FeelFull prebiotic lemonade drink has generated excellent consumer reviews and further orders for SlimBiome®.

We were pleased to announce on 15 April 2025 that we had received our first order for SlimBiome® from a leading US weight management brand, following more than 18 months of work with the brand on human studies that allow it to make scientifically substantiated health claims of hunger control on its products in the USA. These provide it with a key point of difference from other products on the market. The company intends to launch in Walmart in H2, which if successful they claim is likely to require the delivery of 4 metric tonnes of SlimBiome per month. If successful, this is another agreement which has the potential to make a material change to OptiBiotix's revenues in years ahead. Post period we have progressed the establishment of a new subsidiary in the USA and warehousing allowing us to meet the forecast volumes and short lead times required by retailers and ecommerce partners. We expect to launch products containing SlimBiome® with other US partners and continue discussions with a number of partners on the commercialisation of SweetBiotix® and microbiome modulators.

We continue to make good progress in the key strategic market of India, following a multichannel approach that embraces both business-to-business sales and direct sales to consumers through multiple channels and partners. Our partnership with Morepen continues to grow with the launch of their LightLife product range containing SlimBiome® proving successful and leading to reorders in Q1 2025. Since the beginning of the year our wholly owned subsidiary OptiBiotix India has announced the launch on Amazon India of a range of meal replacement and flavoured shot products containing

SlimBiome® under the GoFigure® brand. We believe that with the right investment Amazon India offers huge potential and this launch is an important step forward in building a presence for the Company's products in this key market. At the same time, we have repackaged and relaunched the GoFigure® range sold through Apollo Pharmacies across India to give added prominence to Tata Chemicals' proprietary Fossence® ingredient, which is well known and respected by Indian consumers, under the partnership agreement we signed with Tata in 2023.

Clearance of the substantial SlimBiome® stock overhang during 2024 should see an increase in sales revenues and gross margins from sale of this product to our partners during the current year. We are also pleased that Brenntag, a €9.2bn specialist ingredient and pharmaceutical supplier, has now replaced our former partner Maxum as our SlimBiome® distributor in Australia, and is actively looking for new partners in this region.

Our new partnerships in the USA and with Morepen in India both have the potential to generate multimillion pound revenues. With the launch of sales through Amazon India, and more launches with other partners anticipated in the USA, we expect our businesses in both the USA and India to grow rapidly in 2025 and beyond. The removal of the substantial SlimBiome® stock overhang, which has impacted our reported sales from 2021/2022 has already led to a 6 metric ton order from Brenntag in 2025. We are seeing good early sales growth in Asia, albeit from a low base, and we hope the launch of our raspberry Indulgence bar and other products throughout our ecommerce sites should contribute to further growth in 2025 and beyond.

The global weight management market is undergoing radical change due to the huge rise in popularity of weight loss drugs: a shift underlined by WeightWatchers preparing to file for bankruptcy and Glanbia looking to offload its SlimFast brand. Whilst UK sales through retailers are a relatively small part of our business, and are expected to reduce further as a proportion going forward, investors should expect to see our UK retail customers rebranding and relaunching their white label products containing our ingredients in response to these market trends. Given the strong and differentiated health claims we can make, we regard this as a growth opportunity for OptiBiotix.

We also expect to benefit from the global shift in the weight management market away from meal replacement products and towards appetite-suppressing drinks, where we have a unique proposition in SlimBiome® and can earn significantly higher margins. We are seeing strong interest in both our first- and second-generation products from major beverage companies which are looking to enter and gain positions through the acquisition of new ingredients and/or companies in the fast-growing prebiotic soda market – see: The Rise of Prebiotic Sodas | Insights from FedUp Foods. This has seen companies like Pepsico acquire Poppi https://www.benzinga.com/news/large-cap/25/03/44358047/pepsico-bets-big-on-prebiotic-sodas-with-1-95-billion-poppi-acquisition-details# and Coca-Cola respond with its own brand, called Simply Pop: see Coca-Cola launches Simply Pop prebiotic soda to rival Olipop, Poppi and Coca-Cola Enters the Prebiotic Soda Market with Simply Pop, Challenging Olipop and Poppi.

The addition of functional ingredients to traditional foods and beverages is a growing trend and one in which OptiBiotix, with its strong history of science and clinical studies supporting its products, is well placed.

We are pleased by the high level of corporate interest in our second-generation products but frustrated by the time it is taking to progress to the launch of an application containing these products. However, we recognise the more innovative the product the more cautious large brands can be in being first mover in a very conservative food industry, but are confident of success.

Given the high customer ratings our products enjoy, and our unique position in being able to make evidence-based health claims for reducing hunger and food cravings, we have the potential to build a very successful and profitable business with our first-generation products, with our potentially even more exciting second-generation products still to come.

Growing volatility in the world with regional disputes and tariffs means shipping companies are taking longer to fill cargoes and there are long customs delays at USA ports which have the potential to impact on lead times and delay some orders, particularly to the USA. This is compounded in the USA as we have a growing number of ecommerce (e.g Nouri) and major brands who supply retail partners (e.g Walmart) who require a 2-3 lead time for orders. To mitigate this risk we are leasing a US warehousing and logistics facility who can warehouse 5-10 metric tonnes of SlimBiome in the USA and support the lead-times required. The Company also believes having sales and manufacturing in multiple territories helps mitigate risk from country specific tariffs or regional disputes which have become more common in recent times.

With our sales growing strongly, and significant further product opportunities still before us, we are confident that OptiBiotix has the potential to deliver substantial growth in shareholder value in the years ahead.

Stephen O'Hara
Chief Executive
27 June 2025

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Revenue from contracts with customers	**3**	870	644
Cost of sales		(539)	(324)
Gross profit		**331**	**320**
Selling Costs		651	125
R&D and patent costs		294	223
Share based payments		47	6
Other operating costs		1,605	1,662
Total administrative expenses		(2,597)	(2,016)
Operating loss	**6**	**(2,266)**	**(1,696)**
Finance income	**5**	1	1
		1	1
Share of loss from associate	**11**	(350)	(323)
Gain/(loss) on investments	**11**	486	(513)
Profit on disposal of investments		263	488
Profit/(Loss) before tax		(1,866)	(2,043)
Taxation	**7**	61	4
Total comprehensive income for the period		(1,805)	(2,039)
Total comprehensive income attributable to:			
Owners of the company		(1,805)	(2,039)
Earnings per share from continued operations			
Basic loss per share	**8**	(1.84)p	(2.24)p

Consolidated Statement of Financial Position

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £'000
ASSETS			
Non-current assets			
Intangibles	**9**	1,117	1,331
Investments	**11**	4,049	3,887
Investment in associate	**11**	2,456	2,806
		7,622	8,024
CURRENT ASSETS			
Inventories	**12**	230	188
Trade and other receivables	**13**	433	460
Current tax asset	**7**	21	97
Cash and cash equivalents	**14**	739	635
		1,423	1,380
TOTAL ASSETS		**9,045**	**9,404**
EQUITY			
Shareholders' Equity			
Called up share capital	**15**	1,959	1,824
Share premium	**15**	4,107	2,958
Share based payment reserve	**21**	247	772
Merger relief reserve	**16**	1,500	1,500
Retained Earnings	**16**	585	1,818
Total Equity		**8,398**	**8,872**
LIABILITIES			
Current liabilities			
Trade and other payables	**17**	368	180
		368	180
Non - current liabilities			
Deferred tax liability	**18**	279	352
		279	352
TOTAL LIABILITIES		**647**	**532**
TOTAL EQUITY AND LIABILITIES		**9,045**	**9,404**

Consolidated Statement of Changes in Equity

	Called up Share capital £'000	Retained Earnings £'000	Share Premium £'000	Share-based Payment reserve £'000	Merger Relief Reserve £'000	Total equity £'000
Balance at 31 December 2022	1,824	3,684	2,958	939	1,500	10,905
Loss for the year	-	(2,039)	-	-	-	(2,039)
Movement on reserves	-	173	-	(173)	-	-
Share options and warrants	-	-	-	6	-	6
Balance at 31 December 2023	1,824	1,818	2,958	772	1,500	8,872
Loss for the year	-	(1,805)	-	-	-	(1,805)
Movement on reserves	-	572	-	(572)	-	-
Share Options and warrants	-	-	-	47	-	47
Issue of shares during the year	135	-	1,215	-	-	1,350
Fundraising commission	-	-	(66)	-	-	(66)
Balance at 31 December 2024	1,959	585	4,107	247	1,500	8,398

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Opening Cash		635	1,052
Operating activities			
Operating loss		(2,266)	(1,695)
Amortisation		209	205
Impairment of patents		4	4
Share based payments		47	6
Movement on inventory		(41)	(10)
Decrease in receivables		31	61
Increase in payables		184	(98)
Tax received		64	-
Net cashflow from operating activities		(1,768)	(1,527)
Investing activities			
Proceeds on disposal of investments		587	1,110
Net cash inflow from investing activities		587	1,110
Financing activities			
Net proceeds from share issues		1,285	-
Net cash inflow from financing activities		1,285	-
Total movement		104	(417)
Cash and cash equivalents at end of period	**1**	739	635

1. Cash and Cash Equivalents

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash and cash equivalents	739	635

Notes on the financial statements

1. General Information

OptiBiotix Health plc is a Public Limited Company limited by shares, incorporated and domiciled in England and Wales. Details of the registered office, the officers and advisers to the Company are presented on the company information page at the start of this report. The Company's offices are at Innovation Centre, Innovation Way, Heslington, York, YO10 5DG. The Company is listed on the AIM market of the London Stock Exchange (ticker: OPTI).

The principal activity is that of identifying and developing microbial strains, compounds, and formulations for use in food ingredients, supplements and active compounds that can impact on human physiology, deriving potential health benefits.

The figures for the years ended 31 December 2024 and 2023 do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The figures for the year ended 31 December 2024 have been extracted from the statutory accounts for that year, on which the auditor has issued an unqualified audit report which have yet to be delivered to the Registrar of Companies. The figures for the year ended 31 December 2023 have been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies and on which the auditor has issued an unqualified audit report. No statement has been made by the auditor under Section 498(2) or (3) of the Companies Act 2006 in respect of either of these sets of accounts. This announcement was approved by the board of directors on 27 June 2025 and authorised for issue on 30 June 2025.

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and the Companies Act 2006 applicable to companies reporting under UK adopted international accounting standards. The information in this preliminary statement has been extracted from the audited financial statements for the year ended 31 December 2024 and as such, does not contain all the information required to be disclosed in the financial statements prepared in accordance with UK adopted international accounting standards and the Companies Act 2006 applicable to companies reporting under UK adopted international accounting standards.

2. Accounting Policies

Statement of compliance

The consolidated and parent company financial statements of Optibiotix Health Plc have been prepared in accordance with UK adopted international accounting standards and the Companies Act 2006 applicable to companies reporting under UK adopted international accounting standards.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The functional currency is GBP.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period under review. The results are rounded to the nearest thousand.

Going concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have reviewed the cash at bank available at the date of this report and the cashflow forecast for the next 12 months from the date of this report and are satisfied that the Group should be able meet its liabilities as they fall due. Results to date in 2025 indicate that revenue is likely to come through as anticipated for the year. In the unlikely event that there is a decline in revenue during the remainder of the year there are a number of mitigating actions that could be taken by the Board to ensure that the Group and Company continue as a going concern. To clarify, these mitigation actions are considered as part of worst-case downside scenario assessments by the Board noting no issues with regards to the going concern assessment hence the Directors believe that the Group and the Company are a going concern.

After assessing the possible downside scenarios, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

Standards, amendments and interpretations effective and adopted in 2024

The accounting policies adopted are consistent with those of the previous financial year.
The Group has not early adopted any standards, amendments, or interpretations that were issued but not yet effective as of 31 December 2024. These include the amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates, regarding lack of exchangeability, effective from 1 January 2025. Also issued but not yet effective as at that date are IFRS 18 Presentation and Disclosure in Financial Statements, IFRS 19 Subsidiaries without Public Accountability: Disclosures, and various amendments to IFRS 9 and IFRS 7.

New standards and interpretations not yet adopted

The International Accounting Standards Board (IASB) has issued the following standards, amendments and interpretations with an effective date after the date of these consolidated financial statements. These are effective for annual reporting periods beginning on or after the date indicated:

Standard/ amendment	When issued	Effective date (early application is possible unless otherwise noted)	Standards/ Interpretations amended	Standard withdrawn

IFRS 18 Presentation and Disclosure in Financial Statements	April 2024	01 January 2027	IFRS 1, IFRS 3, IFRS 5, IFRS 6, IFRS 7, IFRS 8, IFRS 9, IFRS 12, IFRS 13, IFRS 14, IFRS 15, IFRS 16, IFRS 17, IAS 2, IAS 7, IAS 8, IAS 10, IAS 12, IAS 16, IAS 19, IAS 20, IAS 21, IAS 24, IAS 28, IAS 29, IAS 32, IAS 33, IAS 34, IAS 38, IAS 40, IAS 41, IFRIC 1, IFRIC 14, IFRIC 17, IFRIC 19, IFRIC 23, SIC-32	IAS 1
IFRS 19 Subsidiaries without Public Accountability: Disclosures	May 2024	01 January 2027	IFRS 1, IFRS 5, IFRS 13, IFRS 17, IFRS 18, IAS 32, IAS 34, IFRIC 14	
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	May 2024	01 January 2026	IFRS 7, IFRS 9, IFRS 19	
Annual Improvements to IFRS Accounting Standards—Volume 11	July 2024	01 January 2026	IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	
Contracts referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	December 2024	01 January 2026	IFRS 7, IFRS 9	

The Group is assessing the impact of these new standards and the Group's financial reporting will be presented in accordance with these standards from the effective date.

There are no other standard interpretations that are not yet effective that would be expected to have a material impact on the Group.

The Directors anticipate that the adoption of these standards and the interpretations in future period will have no material impact on the financial statements of the company.

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. The

Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2.2 Revenue recognition

Revenue is measured at the fair value of sales of goods and services less returns and sales taxes. The Group has analysed its business activities and applied the five-step model prescribed by IFRS 15 to each material line of business, as outlined below:

2.2.1 Sale of products

The contract to provide a product is established when the customer places a purchase order. The performance obligation is to provide the product requested by an agreed date, and the transaction price is the value of the product as stated in our order acknowledgement. The performance obligation is typically met when the product is dispatched and so revenue is primarily recognised for each product when dispatching takes place. In some limited situations when the product is complete but the customer is unable to take delivery the performance obligation is met when the customer formally accepts transfer of risk and control even though the product has not been dispatched.

2.2.2 License arrangements

Revenue is recognised when the customer obtains control of the rights to use the IP. The performance obligations are considered to be distinct from any ongoing distribution arrangements which are treated in line with sales of products.

2.2.3 Milestone payments

Where the transaction price includes consideration that is contingent upon a future event or circumstance, the contingent amount is allocated entirely to that performance obligation if certain criteria are met. Revenue is recognised at the point of time of the performance obligation being satisfied.

2.3 Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

2.4 Investments at fair value

Equity investments are held at fair value at the balance sheet date with any profit or loss for the year being taken to the Income statement. The value of listed investments being calculated at the closing price on the balance sheet date.

2.5 Employee Benefits

The Group operates a defined contribution pension scheme. Contributions payable by the Group's pension scheme are charged to the income statement in the period in which they relate

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date.

Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differenced and the carrying forward or unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

2.8 Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

2.9 Equity investments comprise investments which do have a fixed maturity and are classified as non current assets if they are intended to be held for the medium to long term. They are measured at fair value through profit or loss.

2.10 Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for credit losses. Such provisions are recognised in the income statement.

2.11 Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.12 Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

2.13 Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

2.14 Share Capital – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

2.15 Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.16 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.18 Capital management

Capital is made up of stated capital, premium, other reserves and retained earnings. The objective of the Group’s capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the Company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the period ended 31 December 2024.

2.19 Share-based compensation

The fair value of the employee and suppliers’ services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

2.20 Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Computer equipment	30%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss in the year in which the asset is derecognised.

2.21 Intangibles – Patents and trademarks

Patents acquired by way of the fair value uplift by way of the reverse merger in 2014 have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of the these acquired patents over their estimated useful life of twenty years once the patents have been granted.

Development costs for new patents and trademarks since 2014 that have been capitalized in line with the recognition criteria of IAS38 have been estimated to have a useful economic life of 10 years

2.22 Research and Development

Research expenditure is written off to the statement of comprehensive income in the year in which it is incurred. Development expenditure is written off in the same way unless the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the 10 years during which the Company is expected to benefit.

2.23 Merger relief reserve

The merger relief reserve arises from the 100% acquisition of OptiBiotix Limited whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

2.24 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- **Share based payments**
  The fair value of share based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

- **Useful life of intangible assets**
  Management have estimated that the useful life of the fair value uplift of the patents acquired by way of the reverse merger in 2014 to be 20 years. Development costs of patents and trademarks since 2014 that have been capitalized in line with the recognition criteria of IAS38 have been estimated to have a useful economic life of 10 years. These estimates will be reviewed annually and revised if the useful life is deemed to be lower based on the trading business or any changes to patent law. The net book value of intangible assets at the year-end was £1.117m, (2023: £1.331m)

- **Impairment reviews**
  IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters. Assets under consideration are intangible assets on a Group level and investments on a

Company level

- **Recognition and measurement of the investment in Probiotix Health plc**

  Management has reviewed the nature of the relationship with Probiotix Health plc in line with the Group's interest moving from 100% to 44% by 31 March 2022. Management has had regard to the requirements of IFRS 10 to consider the facts and circumstances of the relationship between Optibiotix and Probiotix and not just the shareholding interest. In taking account of a range of factors, including Optibiotix's minority representation on the Probiotix board and the terms of a relationship agreement entered into between the parties, management has concluded that Optibiotix has significant influence over Probiotix but not control. This remains under continuing review as facts and circumstances change.

  As a result of the recognition of the Group's remaining 44% interest at 31 March 2022 at fair value the Group and Company balance sheet report material investment holdings in Probiotix Health plc. Following the issue of shares in September 2024 the Group’s holding in associate decreased from 44% to 33.85%. As an associate, the Group's investment is equity accounted and the Group's 33.85% share of loss was deducted from this carrying value.

  The Directors have had regard to potential impairment of this asset. The Directors believe there are no indicators which point to a potential adverse impact on the asset.

3. Segmental Reporting

In the opinion of the Directors, the Group has one class of business, in five 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 geographical market

	Year ended 31 December 2024 £’000	**Year ended 31 December 2023 £’000**
UK	330	221
US	141	202
India	171	-
China	133	75
Rest of world	95	146
	870	644

During the reporting period one customer represented £121k (13.9%) of Group revenues. (2023: one customer generated £104k representing 14.9% of Group revenues).

4. Employees and Directors

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Wages and salaries	274	375
Directors' remuneration	445	272
Social security costs	80	54
Pension costs	30	19
	829	720

Within salaries and wages there is a charge of NIL (2023: £153k for termination payments made to R Kamminga.)

All directors' salaries were reduced by 20% in 2023.

In addition to the costs disclosed above a further £89k (2023: £177k) of employee costs have been recharged to Probiotix Health Plc under a shared services agreement.

	Year ended 31 December 2024 No.	Year ended 31 December 2023 No.
The average monthly number of employees during the period was as follows:		
Group		
Directors	5	5
Selling, General and Administration	5	5
	10	10
Company		
Directors	5	5
	5	**5**

Directors' remuneration was as follows:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Directors' remuneration	414	272
Directors' share based payments	45	-
Benefits in kind	5	5
Bonus	25	-
Pension	11	7
Total emoluments	500	284

Emoluments paid to the highest paid director:

Remuneration for qualifying services	235	138
Company pension contributions to defined pension scheme	8	5
	243	143

Directors' remuneration

Details of emoluments received by Directors and key management of the Company for the year ended 31 December 2024 are as follows:

Directors

	Remuneration and fees	Share based payments	Pension Costs	Benefits in Kind	Total	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
S P O'Hara	235	39	8	4	286	147
M S Christie	29	-	-	-	29	20
R C N Davidson	66	-	-	-	66	44
S Kolyda	65	6	3	1	75	47
C Brinsmead	-	-	-	-	-	11
S Hammond	-	-	-	-	-	11
G Myers	44	-	-	-	44	4
Total	439	45	11	5	500	284

Benefits in kind relate to medical insurance. The number of directors to whom retirement benefits were accruing was 2 (2023: 2).

5. Net Finance Income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Finance Income:		
Bank Interest	1	1
Net Finance Income	1	1

6. Operating loss

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Operating loss is stated after charging/(crediting):		
Auditor remuneration – audit fees (Group and Company accounts)	55	58
(Gain)/loss on disposal of fixed asset investments	(486)	513
Amortisation of intangible assets (see note 9)	209	206
Impairment of intangible assets (see note 9)	-	(1)
Staff costs (see note 5)	829	720
Foreign exchange (gains)/losses	(8)	-
Research and development expense	108	40
Share-based payments	47	6

7. Corporation Tax

Corporation Tax

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000

Corporation tax credit	(11)	17
Deferred tax movement	72	(13)
Total taxation	61	4

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024 nor for the year ended 31 December 2024.

	Year ended 31 December 2024 £'000	**Year ended 31 December 2023 £'000**
Loss on ordinary activities before income tax	(1,866)	(2,043)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 25% (2023 – 23.5%)	(467)	(480)
Effects of:		
Disallowables	273	171
Income not taxable	(380)	(63)
Accelerated depreciation	-	-
R&D tax credit claimed	-	-
Amortisation	35	31
Revenue items capitalised	-	-
Other timing differences	-	
Unused tax losses carried forward	528	358
Tax (charge)/credit	(11)	17

The Group has estimated losses of £9.1m (2023: £7.6m) in respect of which a deferred tax asset of £2.2m (2023: £1.9m) has not been recognised due to the uncertainty of future taxable profits. The unrecognised deferred tax asset has been assessed by reference to a rate of 25% which is the UK headline corporation tax rate from 1 April 2023.

The Group submits claims for R&D tax credits in respect of its research and development activities in respect of microbiome modulators and similar products relating to the exploitation of its patent portfolio and potential new patents arising from scientific research performed by Group employees and its partners. Whilst the Board is confident of recovery of the estimated R&D tax credit, there is no certainty that the receivable will be recoverable until HMRC have approved the claim and the enquiry window is closed. However, based on the Group's history of successful claims over a number of years, the Board are satisfied that the tax receivable is recoverable and appropriately recorded.

8. 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:

Basic and diluted EPS	Earnings £'000	2024 Weighted average Number of shares No.	Profit per-share Pence
Basic EPS	(1,805)	97,902,046	(1.84)p

	Earnings £'000	2023 Weighted average Number of shares £	Profit per-share Pence
Basic EPS	(2,038)	90,190,661	(2.24)p

Diluted earnings per share is the basic earnings per share adjusted for the effect of the conversion into fully paid shares of the weighted average number of share options outstanding during the year. The Group was loss making for the years ended 31 December 2023 and 31 December 2024; therefore, the dilutive effect of share options has not been disclosed since this would decrease the loss per share for each of the years reported.

As at 31 December 2024 there were 7,207,907 (2023: 7,082,907) outstanding share options.

9. Intangible assets

Group	Development Costs and Patents £'000
Cost	
At 31 December 2022	2,541
Impairment	(4)
At 31 December 2023	2,537
Impairment	5)
At 31 December 2024	2,532

Amortisation	
At 31 December 2022	1,001
Amortisation charge for the year	206
Amortisation eliminated on impairment	(1)
At 31 December 2023	1,206
Amortisation charge for the year	209
At 31 December 2024	1,415

Carrying amount	
At 31 December 2024	1,117
At 31 December 2023	1,331

The Company had no intangible assets during the reporting period.

Development costs and patents represent cost capitalised in respect of the Group's intellectual property portfolio and includes the costs of registering and maintaining patents as well as capitalised development costs. All intangible assets relate to the Group's principal activities.

10. Property, plant and equipment

Group

	£'000
Cost	
At 31 December 2022	8
Additions	-
Disposals	-
At 31 December 2023	8
Additions	-
Disposals	-
At 31 December 2024	8
Depreciation	
At 31 December 2022	8
Charge for the year	-
At 31 December 2023	8
Charge for the year	
At 31 December 2024	8

Carrying amount	
At 31 December 2024	-
At 31 December 2023	-

The Company had no fixed assets during the reporting period.

11. Investments

Group

Set out below is the investment in Skinbiotherapeutics PLC. The investment was treated as an associate of the Group until 2 November 2020, after which time the shareholding dropped to 24.65% and recalculated as an equity investment. The Group records its investment in Skinbiotherapeutics plc at fair value and is remeasured by reference to its closing price on AIM at each reporting date. The share price at 31 December 2024 was 18.5p.

During the year, 3,606,250 were disposed to generate gross proceeds of £587k with original cost of £324k. At 31 December 2024 the holding stood at 9.58%

	2024 **£'000**	**2023** **£'000**
Investments		
At the beginning of the period	3,887	5,022
Revaluations	486	-
(Loss)/Gain on investments	-	(513)
Disposal of shares during year	(324)	(622)
At 31 December	4,049	3,887

Investment in Associate

On 31 March 2022, ProBiotix Health Plc ("PBX") the parent company of ProBiotix Limited listed on the AQSE Growth Market. The listing of PBX on AQSE, together with the issue of a dividend in specie and issue of new shares, means that PBX is now considered an associate for accounting purposes with its revenues and costs removed post listing and only OptiBiotix's (44%) proportion of its profit and loss included in the Group's accounts under the equity method of accounting. The step-down from being a subsidiary to an associate resulted in the revaluation of the remaining interest held in PBX at the listing price and a gain on disposal of a subsidiary recognised in the income statement. A gain of £21.647m was recorded in the income statement.

An assessment was undertaken to assess whether the Company had defacto control over PBX during the period considering Board representation, financing arrangements, the Relationship agreement and the other shareholdings in PBX. Based on the assessment it was concluded that the Company only had significant influence and that PBX was an associate in the period. The Relationship agreement sets out costs that are being incurred by the Group that are being recharged to PBX.

At 31 March 2022 the Group held 53,533,333 shares in Probiotix Health plc, valued at the IPO price of 21p resulting in a deemed cost of investment in associate of £11.24m.

Following the issue of shares in September 2024 the Group's holding in associate decreased from 44% to 33.85%. As an associate, the Group's investment is equity accounted and the Group's 33.85% share of loss was deducted from this carrying value.

Investment in Associate

	2024 £'000	2023 £'000
Investments		
At the beginning of the period	2,806	3,129
Share of result for the period (see below)	(350)	(323)
At 31 December	2,456	2,806

PBX is registered in United Kingdom and is in the Health food sector.

Set out below is financial information on PBX set out in its IFRS financial statements for the year to 31 December 2024.

	2024 £'000	2023 £'000
Revenue	1,883	1,673
Loss from continuing operations	(852)	(729)
Total comprehensive loss	(847)	(735)
Current assets	1,934	1,871
Current Liabilities	(194)	(566)
Non-current liabilities	(60)	(97)
Share of total comprehensive loss	(350)	(323)

Company Investments

	2024 £'000	2023 £'000
Listed Investments		
At the beginning of the period	3,887	5,022
Revaluations	486	(513)
Disposal of shares during year	(324)	(622)

	4,049	3,887
Investment in subsidiaries		
At the beginning of the period	1,971	1,986
Impairment	-	(15)
	1,971	1,971
At 31 December	6,020	5,858

Company Investment in Associate

	2024 £'000	2023 £'000
At the beginning of the period	3,212	3,212
At 31 December	3,212	3,212

The Company holds listed investments at fair value, and investments in subsidiaries and associates at cost less impairment. The fair value of the Company's investment in Probiotix Health plc upon losing control was set as deemed cost.

The Directors have had regard to potential impairment of the Group's investment in Probiotix. The Directors believe there are no indicators which point to a potential adverse impact on the asset.

The entities listed below have share capital consisting solely of ordinary shares, which are held by the Group. The country of incorporation is also the principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

As at 31 December 2024 the Company directly held the following subsidiaries:

Name and Registered office address of company	Nature of Business	Active / Dormant	Country of incorporation and place of business	Proportion of equity interest
OptiBiotix Limited Innovation Centre Innovation Way, Heslington, York, YO10 5DG	Research & Development	Active	United Kingdom	100% of ordinary shares
Optibiotix Health India Private Limited House NO.243, Mcd Colony, Vivekanand Puri Sarai Rohilla City, Delhi CITY, DELHI, North Delhi, Delhi, India, 110007	Health foods	Active	India	100% of ordinary shares

The Healthy Weight Loss Company Limited was dissolved on 19 December 2023.

12. Inventories

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Finished goods	189	188	-	-
Raw Materials	41	-	-	-
	230	188	-	-

During the period £358k (2023: £334k) has been expensed to the income statement.

13. Trade and other Receivables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current				
Accounts receivable	314	345	9	18
Other receivables	110	97	8	12
Prepayments and accrued income	9	18	-	2
	433	460	17	32

During the year Optibiotix Health PLC recharged Probiotix Health PLC £30,000, (2023 £15,000) for Directors' fees the balance owing at the year end was £7,500 (2023: £15,000).

During the year Optibiotix Health PLC loaned Optibiotix Limited £1,400,000, (2023 £1,223,340) to finance working capital costs. Optibiotix Limited recharged Optibiotix Health PLC £623,247, (2023: £327,927) for salary costs. The balance at the year end of £776,753(2023: £895,381) was cancelled. There was no interest charged during the year. This does not impact on the consolidated Group accounts.

During the year Optibiotix Health PLC loaned OptiBiotix India £150k for marketing expenses. The balance at the year end was cancelled.

During the year Optibiotix Limited recharged Probiotix Health PLC £NIL, (2022: £44,799) for directors' fees. The balance at the year end was £NIL, (2023 £NIL). There was no interest charged during the year.

During the year Optibiotix Limited transactions with Probiotix Limited were as follows: -

- £171,733 (2023: £490,786) for salaries and administration costs;
- £NIL (2023: £67,700) income received on behalf of Probiotix limited; and
- £202,948 (2023: £425,639) repayments received.

There was no interest charged during the year. The remaining balance of £3,770 (2023: £27,617) was received after the year end.

14. Cash and Cash Equivalents

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash and bank balances	739	635	577	434

All cash is held in demand deposits with large UK and Indian banks.

15. Called Up Share Capital

	2024 £'000	2023 £'000
Allotted, called up and fully paid share capital	1,959	1,824

	2024	2023
Shares in issue		
Opening balance 1 January	91,190,661	91,190,661

Share issue	6,752,500	-
Closing balance at 31 December	97,943,161	91,190,661

Share Capital	2024 £'000	2023 £'000
Opening balance 1 January	1,824	1,824
Share issue	135	-
Closing balance at 31 December	1,959	1,824

Share Premium	2024 £'000	2023 £'000
Opening balance 1 January	2,958	2,958
Share issue	1,149	-
Closing balance at 31 December	4,107	2,958

On 28th March 2024 6,752,500 ordinary shares of £0.02 were issued at 20p per share in respect of a placing and subscription.

16. Reserves

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value, net of expenses.

Merger relief reserve arises from the 100% acquisition of OptiBiotix Limited on 5 August 2014 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Retained earnings represents the cumulative profits and losses of the Group attributable to the owners of the company net of distributions paid.

Share based payment reserve represents the cumulative amounts charged in respect of unsettled warrants and options issued.

17. Trade and other payables

Current:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000

Accounts payable	270	56	17	7
Accrued expenses	63	75	63	67
Other payables	35	49	-	8
Total trade and other payables	368	180	80	82

18. Deferred Tax

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%).

The movement on the deferred tax account is as shown below:

	2024 £'000	2023 £'000
At 31 December	352	365
Movement in the period	(73)	(13)
At 31 December	279	352

Deferred tax assets have not been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets as the Directors believe there is uncertainty over the timing of future taxable profits. Further details of available losses are set out in note 7.

19. Related Party Disclosures

Transactions and balances with Probiotix Health Plc are set out in note 13. Directors' remuneration has been fully disclosed in note 4

20. Ultimate Controlling Party

The Board considers that there is no overall controlling party.

21. Share Based payment Transactions

(i) Share options

The Company has a share option programme to grant share options as an incentive for employees of the subsidiaries.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option and the Company has no legal obligation to repurchase or settle the options in cash. The options carry neither rights to dividends nor voting rights prior to the date on which the options are exercised. Options may be exercised at any time from the date of vesting to the date of expiry.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Average exercise price	
	2024	**2023**	**2024**	**2023**
	No.	No.	£	£
Outstanding at the beginning of the period	6,857,907	7,182,907	0.08	0.092
Granted during the period	6,449,135	-	-	-
Forfeited/cancelled during the year	(6,099,135)	(325,000)	0.08	0.52
Outstanding at the end of the period	7,207,907	6,857,907	0.1562	0.08

Of the options in issue, 358,772 were issued at an exercise price of 20p per share and are fully vested at the balance sheet date. These options expired on 10 March 2025.

The options vested as follows: -

- 179,386 on a share price trigger of 40p per share;
- 89,693 on completion of the cholesterol human studies
- 89,693 on completion of the cholesterol human studies and release of the results for a product containing a novel sugar

For share options issued in 2022 The Company agreed with a number of option holders to surrender their existing options in return for Nominal Value Options over half the number of shares of their existing options, which are subject to a combination of performance and time-based vesting criteria. This ensures a continued focus on commercial revenues and shareholder value creation. New options will be granted on a similar basis going forward. Options granted to non-executive directors will be subject to time-based vesting.

Share options issued in 2024 vest as follows:-

- 6,099,135 vest on the 17 December 2025 being the first anniversary of grant;
- 35,000 vest on 13 September 2025;
- 52,500 vest on 13 September 2026;
- 87500 vest on 13 September 2027;
- 35,000 vest if turnover from products including Slimbiome exceed £1m in a 12 month period;
- 52,500 vest if turnover from products including Slimbiome exceed £2.5m in a 12 month period;
- 87,500 vest if turnover from products including Slimbiome exceed £5m in a 12 month period.

The share options outstanding at the period end had a weighted average remaining contractual life of 3,398 days (2023: 475 days) and the maximum term is 10 years.

The share price per share at 31/12/24 was £0.18 (31/12/2023: £0.27)

Where share options were cancelled and replaced with share options with revised terms, the Board have considered this set of transactions as a modification of share based payment arrangements and have therefore considered whether any incremental value arises as a result of the grant of modified awards. Having performed an assessment the Board have concluded that no incremental value fair is required and therefore no charge has been recognised. In respect of replacement options and new options issued in 2024 which include market based vesting conditions in respect of revenue targets, the Board have determined that the value of this proportion of shares have immaterial value in light of the Group's results for the 2024 accounting period in which they were granted.

(i) Warrants

There were no warrants in issue at 31 December 2024.

22. Financial Risk Management Objectives and Policies

The Group’s financial instruments comprise cash balances and receivables and payables that arise directly from its operations.

The main risks the Group faces in respect of its financial statements are liquidity risk and credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Group’s policies for managing these risks are summarised below and have been applied throughout the period.

Interest risk

The Group is not exposed to significant interest rate risk as it has limited interest bearing liabilities at the year end.

The Group's financial assets do not bear interest.

Credit Risk

The Group try to limit the credit risk by dealing with larger companies and also asking new smaller customers to provide a deposit with the purchase order.

Management have regard to credit exposures when entering into new contracts and seek to agree settlement terms on all contracts. Credit exposure is regularly monitored by management and any overdue debts are followed up as part of the Group's credit control procedures. Where a debt becomes significantly overdue, management have regard to credit loss provisions to reflect the existence of expected credit losses, taking account of forward looking information as well as the pattern of cash collections for that category of customer.

The Board consider a default to have occurred when a receivable passes 60 days beyond agreed credit terms, at which point regard is had to the specific characteristics of the debtor in assessing exposure to material credit risk and therefore the requirement to create a loss provision.

Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting these obligations associated with financial liabilities.

The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the Group's short term and long-term funding risks management requirements.

During the period under review, the Group has not utilised any borrowing facilities.

The Group manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

23. Post Balance Sheet Events

On 7 January 2025 David Blain was appointed Director.

On 15 May 2025 the Group incorporated a new wholly owned subsidiary named OptiBiotix Health USA Inc. The subsidiary was incorporated in the USA and its registered office is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of Newcastle, State of Delaware 19801. The new subsidiary is located in Harris County, Texas and its activities will involve supplying the Group's products to customers in the USA.

On 23 May 2025 the Company issued and allotted 5,357,143 shares of 2 pence per share exercised at a price of 14 pence per share in the capital of the company. As part of the Placing, the Company has issued one warrant for every two new Ordinary Shares subscribed for (2,678,571 warrants), exercisable at a price of 21 pence per share for a period of 3 years from the date of admission.