

29 May 2015

OptiBiotix Health Plc

**Final Results for the year ended 30 November 2014 and
Notice of AGM**

OptiBiotix Health plc (AIM: OPTI), a Life Sciences business developing compounds to tackle obesity, high cholesterol and diabetes, announces its audited results for the year ended 30 November 2014.

The Company was admitted to AIM in August 2014 following the successful acquisition of OptiBiotix Limited and was re-named OptiBiotix Health plc. The accounts reflect the four months of trading activity following acquisition to 30 November 2014.

Operational highlights

- Successful completion of preclinical studies for the group's cholesterol lowering product
- Contract signed with Reading University for clinical studies of its first product: a capsular food supplement to reduce cholesterol
- The development of a weight management yoghurt product with Nizo Food Research
- Strengthening of its science base internally with the appointment of Dr Sofia Kolida as director of Research and Development and the leasing of laboratories at the Science and Technology Centre at Reading University
- Strengthening of the external scientific base with the establishment of a Scientific Advisory Group with an international panel of key opinion leaders
- Strengthening of the Board with the appointment of Dr Gareth Barker as Non-Executive Director

Financial highlights

- Successful raise of £3.3m (before expenses) by way of a placing at a price of 8p per share for admission to AIM in August 2014
- Strong share price performance to date
- Cash position remains strong with £2.87m

Post-period end highlights

- Commencement of human studies for the cholesterol lowering product with results due in September 2015
- Joint venture agreement for the weight management yoghurt product signed with NIP B.V., a wholly owned subsidiary of Nizo Food Research
- Increased commercial capacity and capability through the appointment of Jim Laird as Commercial Director to the Board
- IP portfolio strengthened by filing of an additional four patents; bringing the total nine
- Optimisation of the OptiBiotix[®] sugar discovery platform

Stephen O'Hara, CEO of OptiBiotix commented: *"I am delighted with the strong progress OptiBiotix has made since joining AIM in August 2014. In a short space of time we have built operational capability, progressed our development programmes, built on our IP portfolio, and created multiple product and partnering opportunities. I would like to thank our investors for their support in 2014, and look forward to an exciting and rewarding 2015".*

For further information:

OptiBiotix Health plc

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About OptiBiotix Health PLC - www.optibiotix.com

OptiBiotix was formed in March 2012 to develop compounds which modify the human microbiome – the collective genome of the microbes in the body – to prevent and manage human disease. The aim of OptiBiotix is to discover and develop microbial strains, compounds and formulations, which modulate the human microbiome and can be used as food ingredients and supplements or active compounds for the prevention and management of human metabolic diseases, examples of which include obesity, cholesterol and lipid distribution and diabetes.

OptiBiotix has established a pipeline of microbiome modulators that can impact on lipid and cholesterol management, energy harvest and appetite suppression. The development pipeline is fuelled by its proprietary OptiScreen® and OptiBiotic® platform technologies designed to identify metabolic pathways and compounds that impact on human physiology and bring potential health benefits. These platforms are applicable across a wider range of other human diseases.

Chairman's and CEO's Report

We are pleased to present OptiBiotix Health plc's (formerly Ducat Ventures plc) annual report and accounts for the year ended 30 November 2014.

The Company was re-admitted to trading on AIM in August 2014 following the successful acquisition of Optibiotix Limited and was re-named OptiBiotix Health plc. Consequentially the accounts reflect the four months of trading activity following acquisition to 30 November 2014.

Strategy

OptiBiotix Health's strategy is founded on:-

- Developing products for large markets (>£100m) with high growth (>10%CAGR) and an unmet need
- A scalable business model with technology platforms supporting multiple partnering and product opportunities
- Products with a strong scientific evidence base supported by a portfolio of intellectual property
- Partnering with food, health and wellbeing companies, and pharmaceutical companies to commercialise products

Key Achievements

During the period to date we achieved a number of key objectives:

- A fundraising in August 2014 co-terminus with the acquisition of OptiBiotix Limited which raised £3.3m gross and £2.93m net of expenses;
- Strengthened the Board subsequent to re-admission with the Board appointments of Jim Laird as Commercial Director and Dr Gareth Barker as Non-Executive Director;
- A strengthening of our science base internally with the appointment of Dr Sofia Kolida as director of Research and Development and externally with the establishment of a Scientific Advisory Board with an international panel of key opinion leaders;
- The establishment and development of a weight management yoghurt product with Nizo Food Research; and
- The completion of preclinical studies for the Group's cholesterol lowering product.

Board and Management

We believe that we have a well-balanced Board reflective of our status as a public company with the expertise of Chief Executive Stephen O'Hara, Commercial Director Jim Laird and Non-executive Director Dr Gareth Barker. They are complemented by the CFO Mark Collingbourne, Mark Wyatt representative of our largest shareholder Finance Yorkshire, Adam Reynolds (from Ducat) and myself David Evans as Chairman. The Board also receives the support from the management team including Dr Sofia Kolida as director of Research and Development.

Development programmes

All of OptiBiotix's research programmes remain on budget and on target. We have made good progress in validating our discovery technology platforms and de-risking a number of technical challenges.

OptiBiotix has incorporated its weight management formulation into yoghurts with Nizo Food Research. OptiBiotix is responsible for the weight management formulation, which has been created by world experts in satiation (the feeling of fullness); metabolism and how microbes harvest energy in the gut. Nizo provides specialist expertise in the manufacture of dairy products and using taste and texture to improve satiation.

OptiBiotix's cholesterol product successfully completed its pre-clinical studies in November 2014. This was an important milestone in product development as it identified which of the three strains tested was best suited for the first product, and most likely to lead to a successful outcome in human studies. This strain is now undergoing a human clinical study.

OptiBiotix's sugar development screening platform was given a significant boost by the appointment of Dr Sofia Kolida as director of Research and Development. Dr Kolida has extensive expertise in using novel sugars to modulate the human microbiome to prevent, manage and treat disease, and their application as food ingredients. We will continue to develop our in house capability at our laboratories at the Science and Technology Centre in Reading.

The aim of these research programmes is to create commercial products with an established scientific evidence base and proof of human efficacy. Discussions with partners suggest that there is a growing interest in science based nutritional products and the commercial potential of microbiome modulating products. As our development programmes progress and OptiBiotix is able to demonstrate product safety and efficacy, we anticipate increasing partner interest.

Results

The Group's results for the period ended 30 November 2014 are set out in the Consolidated Statement of Comprehensive Income. Administrative expenses were £489K reflecting the costs of operating both companies prior to consolidation. Transaction costs were in line with forecasts with a net proceeds post placing of just over £2.93m. The Group's cash position remains strong at £2.87m which is sufficient to fund its existing research and development programmes and initiate commercialisation.

Outlook

OptiBiotix will continue its research and development investment in areas with large markets (>£100m), high growth opportunities (CAGR >10%) and where there is a large unmet need.

Funds will be used to optimise and extend our discovery technology platforms to screen a wider range of microbial species and strains to ensure a continued pipeline of new applications and product opportunities. This is expected to create multiple partnering and product opportunities and position OptiBiotix at the leading edge of this emerging field. Discussions continue on a number of fronts.

Our R&D programmes will allow us to build on our existing IP portfolio and we anticipate filing additional patents, trademarks and registering additional microbial strains of commercial value. We anticipate leveraging opportunities to license in or acquire new technologies or IP to support our continued growth. We will look to update the market with progress on our human clinical studies. The earliest timeframe for us to report will be September 2015.

The Group will continue to leverage its existing relationships with key opinion leaders and research organisations with world leading expertise. As the Group grows we will develop new relationships with research, development, manufacturing and key industry players who have the technology, facilities, know-how, and market access to create shareholder value.

To support this activity we have added to the executive team to bring in industry specific commercial and corporate expertise in particular with the appointment of Jim Laird from Premier Foods. This is expected to increase our capacity to explore licensing, partnering and acquisition opportunities to create a wider range of products and build a successful and sustainable business for shareholders. We anticipate reaping the benefit of that appointment in the next twelve months.

With a growing number of publications showing the potential of the human microbiome and increased public awareness in this field we anticipate further investor interest in companies in this field. As OptiBiotix builds the scientific evidence base to support the safety and efficacy of its products we will continue to share news with shareholders and promote the Group to potential new shareholders.

The Board believes OptiBiotix is at the leading edge of an immature but emerging market to become one of the world's fastest growth sectors. The Group has built a team with a track record of success, established scientific proof of concept, developed proprietary technology platforms, built a strong IP portfolio, and attracted early interest from commercial partners. We now hope to build on this solid foundation to create a microbiome modulating business with significant value through a combination of organic growth, exploitation of existing and new IP as well as through value added acquisitions. Key to this is creating novel products with a solid science base validated by human studies, allowing us to build a successful and sustainable business for our customers and shareholders.

On behalf of everyone at OptiBiotix Health plc we thank our investors for their support in 2014, and look forward to an exciting and rewarding 2015 and beyond. At OptiBiotix we believe that better science equals better health and with our stakeholders' continued support we strive to ensure this becomes a reality.

David Evans
Chairman
28 May 2015

Stephen OHara
Chief Executive Officer
28 May 2015

**Consolidated Statement of Comprehensive Income
For the year ended 30 November 2014**

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Administrative expenses	(489,015)	(341,466)
Operating loss	(489,015)	(341,466)
Non-Operating Items		
Impairment of intercompany loans	-	(1,394,265)
Loss on disposal of investments	-	(500,000)
Surplus arising on settlements with trade creditors	-	63,657
Admission expenses	(365,038)	-
	(854,053)	(2,172,074)
Finance income / (costs)	93	(4,000)
Loss before Income tax	(853,960)	(2,176,074)
Income tax	43,254	-
Loss for the period	(810,706)	(2,176,074)
Other Comprehensive Income	-	-
Total comprehensive income for the period	(810,706)	(2,176,074)
Total comprehensive income attributable to the owners of the company	(810,706)	(2,176,074)
Loss per share		
Basic & Diluted loss per share - pence	3.03p	463.82p

**Consolidated Statement of Financial Position
For the year ended 30 November 2014**

	As at 30 November 2014 £	As at 30 November 2013 £
ASSETS		
Non-current assets		
Intangibles	2,259,369	-
Property, plant & equipment	855	-
	<u>2,260,224</u>	<u>-</u>
CURRENT ASSETS		
Trade and other receivables	4,651	301,267
Current tax asset	43,254	-
Cash and cash equivalents	2,870,442	150
	<u>2,918,347</u>	<u>301,417</u>
TOTAL ASSETS	<u><u>5,178,571</u></u>	<u><u>301,417</u></u>
EQUITY		
Shareholders' Equity		
Called up share capital	7,078,346	5,722,248
Share premium	3,746,781	1,302,811
Share based payment reserve	90,970	27,200
Merger relief reserve	1,500,000	-
Accumulated deficit	(7,767,013)	(6,956,307)
Total Equity	<u>4,649,084</u>	<u>95,952</u>
LIABILITIES		
Current liabilities		
Trade and other payables	77,613	185,835
	<u>77,613</u>	<u>185,835</u>
Non - current liabilities		
Tax liability	451,874	-
Contingent consideration	-	19,930
	<u>451,874</u>	<u>19,930</u>
TOTAL LIABILITITES	<u>529,487</u>	<u>205,465</u>
TOTAL EQUITY AND LIABILITIES	<u><u>5,178,571</u></u>	<u><u>301,417</u></u>

**Consolidated Statement of Changes in Equity
For the year ended 30 November 2014**

	Called up Share capital £	Accumulated deficit £	Share Premium £	Merger Relief Reserve £	Share- based Payment reserve £	Total equity £
Balance at 30 November 2012	5,574,070	(4,780,233)	838,822	-	27,200	1,659,859
Loss for the period	-	(2,176,074)	-	-	-	(2,176,074)
Issue of shares	148,178	-	463,989	-	-	612,167
Balance at 30 November 2013	5,722,248	(6,956,307)	1,302,811	-	27,200	95,952
Loss for the period	-	(810,706)	-	-	-	(810,706)
Issue of consideration shares to acquire subsidiary	500,000	-	-	1,500,000	-	2,000,000
Issues of shares during the period	845,567	-	2,536,700	-	-	3,382,267
Share issue expenses			(124,323)			(124,323)
Exercise of warrants	10,531	-	31,593	-	-	42,124
Grant of share options and warrants	-	-	-	-	63,770	63,770
Balance at 30 November 2014	7,078,346	(7,767,013)	3,746,781	1,500,000	90,970	4,649,084

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value. 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. Accumulated deficit represents the cumulative losses of the group attributable to the owners of the company.

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

**Consolidated Statement of Cash Flows
For the year ended 30 November 2014**

	As at 30 November 2014 £	As at 30 November 2013 £
Cash flows from operating activities		
Cash generated from operations	(706,336)	(498,385)
Interest paid	-	(4,000)
Interest received	93	-
	<u> </u>	<u> </u>
Net cash outflow from operating activities	(706,243)	(502,385)
 Cash flows from investing activities		
Purchases of property, plant and equipment	(1,099)	502,526
Net cash from acquisition of subsidiary	251,834	-
	<u> </u>	<u> </u>
Net cash inflow from investing activities	250,735	502,526
	<u> </u>	<u> </u>
Cash flows from financing activities		
Share issues	3,300,068	502,526
	<u> </u>	<u> </u>
Net cash inflow from financing activities	3,300,068	502,526
	<u> </u>	<u> </u>
Taxation	25,732	
Increase/(decrease) in cash and equivalents	2,870,292	141
Cash and cash equivalents at beginning of year	150	9
	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	<u><u>2,870,442</u></u>	<u><u>150</u></u>

Notes to the Consolidated Statement of Cash Flows
For the year ended 30 November 2014

1. Reconciliation of loss before income tax to cash outflow from operations

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Operating loss	(854,053)	(341,466)
(Increase)/decrease in trade and other receivables	296,616	(437,558)
(Decrease)/increase in trade and other payables	(212,913)	280,639
Depreciation charge	244	-
Share Option expense	63,770	-
	<u> </u>	<u> </u>
Net cash outflow from operations	<u><u>(706,336)</u></u>	<u><u>(498,385)</u></u>

2. Cash and Cash Equivalents

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Cash and cash equivalents	2,870,442	150
	<u><u> </u></u>	<u><u> </u></u>

3. Non-cash transactions

During the year, the company issued £2,000,000 of ordinary shares to acquire a subsidiary in a non-cash transaction. Refer to Note 12 for further details.

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:

	Earnings £	2014 Weighted average Number of shares £	Loss per-share Pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(810,706)	26,751,262	3.03
	<u> </u>	<u> </u>	<u> </u>

	Earnings £	2013 Weighted average Number of shares £	Loss per-share Pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(2,176,074)	469,161	463.82
	<u> </u>	<u> </u>	<u> </u>

The weighted average number of shares for 2013 has been adjusted from 93,832,112 to reflect the subdivision which occurred during the year.

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 30 November 2014 there were 8,632,843 outstanding share options and 4,579,560 outstanding share warrants, both are potentially dilutive.

Notice of AGM

The Company's AGM will be held at the offices of Enterprise Ventures Ltd., 73/79 King St., Manchester M24NG at 11am on 11 August 2015. A copy of the Notice of AGM may be downloaded from the Company's Rule 26 website.

Posting of Accounts

The Accounts have today been posted to shareholders and are available for download from the Company's Rule 26 website, www.optibiotix.com.