28 June 2024

ProBiotix Health plc
("ProBiotix" or the "Company" or the "Group")

Final results
Notice of AGM

ProBiotix Health plc (AQSE: PBX), a life sciences business developing probiotics to tackle cardiovascular disease and other lifestyle conditions, announces its audited results for the period ended 31 December 2023.

Highlights

- Distribution agreement with Trans Chem for finished turnkey products in Australia and New Zealand
- Appointment of Niels Peter Bak as Technical Product Manager
- Launch of Cholbiome$_{CH}$ a dual action bilayer tablet containing phytosterols and LP$_{LDL}$® to increase opportunities in the US market

Post period end

- Appiontment of Michael Litichevski as Head of Global Sales
- Appointment of Mads Brandt as Global Supply Chain Director
- Partner agreement with SymbioPharm

Investor presentation
The Company will host a presentation for investors via the Investor Meet Company platform on Wednesday, 10 July at 11am BST. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9 July 2024 at 9am BST, or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet ProBiotix Health plc via: https://www.investormeetcompany.com/probiotix-health-plc/register-investor

Investors who already follow ProBiotix Health plc on the Investor Meet Company platform will automatically be invited.

Steen Andersen, CEO of ProBiotix, commented: *"We have continued to develop a business on becoming a solutions provider of finished probiotic products in consumer formats, both under our own brands and partner private labels, with the objective of building ProBiotix into a £10m turnover company in the years ahead. We look to the future with enthusiasm and high confidence in building a valuable company for shareholders."*

For further information, please contact:

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Chairman and Chief Executive's Report

This Annual Report presents the Company's inaugural full year results as a listed public company on the Aquis Stock Exchange. The Company demonstrates strong sales growth, significant commercial traction, continued R&D and organisational progress. In 2023, the Company implemented a new focussed 5-year growth strategy aiming at becoming a leading provider of turnkey private label probiotic dietary supplements within the preventative cardiometabolic health segment, taking off-set in the Company's principal proprietary probiotic strain LP_{LDL}®. The positive progress to date is testimony to a successful implementation of the strategic plan, the uniqueness of the Company's products and a differentiated value proposition in a growing market for cardiometabolic health, probiotic and healthy aging products. The Board and Management are confident that the present market capitalisation of the Company reflects current public market conditions and not the progress of the Company

Strategic overview

ProBiotix is a life sciences company focused on linking probiotics with the human microbiome addressing aspects of cardiometabolic health and other lifestyle conditions occurring throughout the span of life. ProBiotix operates in the dietary supplement and prevention segment and taps into the cross field of healthy aging, cardiometabolic health and probiotic supplements.

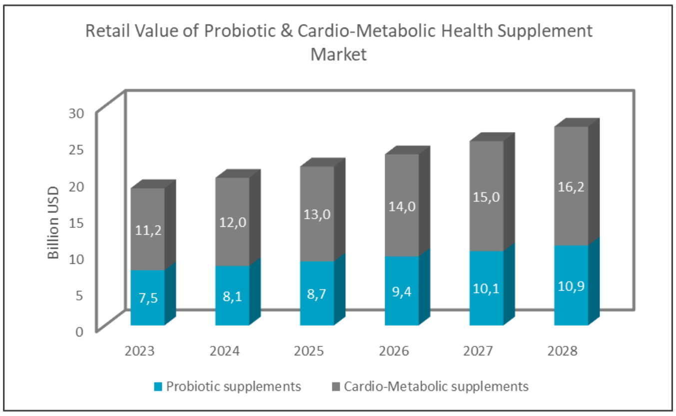
ProBiotix's purpose is to provide consumers and industry world-wide with uncompromised supply and service of safe and scientifically validated probiotic-based microbiome product solutions for the improvement of human health. The Company aims to partner with scientifically driven dietary supplement, consumer health and OTC companies globally who have a strong strategic focus on the human microbiome and the use of probiotics.

Every year, 20 million people die from cardiometabolic disease related issues globally – a trend which has risen by 50% over the past 30 years (Source: World Hearth Federation, Report 2023 + IHME 2019). It is estimated that approximately 80% of these deaths could be avoided by preventative treatment combined with life-style changes. Yet the category of dietary supplements with sufficient clinically documented efficacy remains limited.

The global consumer probiotics supplement market is forecast to reach $10.9 billion by 2028 (Fortune Business insights, 2023) at a CAGR of 7.9%. The market is driven by an increasing consumer awareness towards healthy living, disease prevention and focus on the importance of dietary supplementation as an assisting aid in the support of a good health throughout life. Cardiometabolic related diseases remain one of the top causes of death globally which puts the category on top of the agenda for many consumers and legislators and thus offers exceptional growth opportunities for the category, and especially probiotic-based solutions.

Alongside the fast growing probiotic supplement market, the preventative category within cardiometabolic health is estimated to reach a consumer market value of $16.2 billion by 2028 (www.precedenceresearch.com/cardiovascular-health-supplements-market).

ProBiotix is tapping into an attractive market with an estimated total consumer value of $27.1 billion by 2028 and with an outlook expected to have a relatively limited number of clinically backed probiotic-based dietary supplements available to cater for the consumer needs in the category. This allows ProBiotix an excellent opportunity to manifest the Company as a leading player in the field.

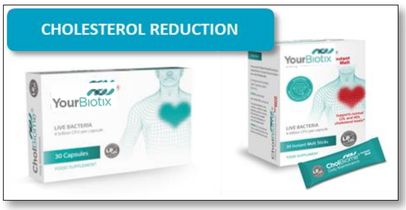


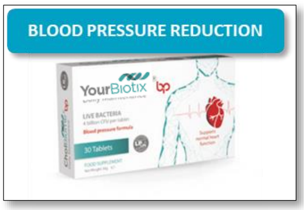
Source: Fortune Business insights, 2023
www.precedenceresearch.com/cardiovascular-health-supplements-market

The Company has completed four independent clinical studies with human volunteers as well as one partner-driven study with 434 subjects which all consistently show that ProBiotix's principal probiotic strain, *Lactobacillus plantarum* ECGC13110402 (LP_{LDL}®), has the ability to reduce key cardiovascular risk markers, such as total cholesterol, LDL (bad) cholesterol, and Apolipo protein B (biomarker of atherosclerosis), by up to 34.2 per cent, 28.4 per cent and 28.6 per cent, respectively.

ProBiotix commercialises a unique range of proprietary private label turn-key dietary supplements, all based on LP_{LDL}® under the Company's business-to-business umbrella of YourBiotix.

The Company has defined a focussed strategy to develop the business and explore the market opportunities through geographical expansion, development of new and attractive dosage formats combined with broadening the clinical use of LP_{LDL}® and other proprietary strains in the pipeline. In 2023, the YourBiotix portfolio comprised of four unique products:





YourBiotix$_{CH}$
A capsule formula which contains LP_{LDL}®as the only active ingredient to focus on healthy cholesterol maintenance.

YourBiotix$_{CH}$ InstaMelt
An innovative direct dose stick formula which contains LP_{LDL}®as the only active ingredient to focus on healthy cholesterol maintenance.

YourBiotix$_{BP}$
A blood pressure-reducing tablet formula that combines four science-backed natural ingredients - LP_{LDL}®, Thiamine (Vitamin B1), L-arginine and CoEnzyme Q_{10} - to provide a multi-targeted mechanism approach for aiding hypertension and improving cardiovascular health.

YourBiotix$_{VH}$
A vascular health capsule formula that combines three specialised ingredients in a triple layer

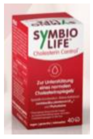
tablet. Consisting of LP_{LDL}®,, Thiamine and Vitamin K2 Vital (from Kappa Bioscience) to provide a multi-targeted mechanism to work against the build-up of lipid and calcium deposits in the blood vessels.

In addition to representing ready to market solutions, the YourBiotix product portfolio provides a unique springboard to create customised formulations as a door opener to individual customers and the widest possible range of opportunities within international markets, such as North America.

Key milestone achievements

Strategy
In early 2023, a new ambitious 5-year growth strategy was implemented focused on becoming a provider of full turnkey private label finished probiotic dietary supplements. Moving towards final product formats allows ProBiotix to strengthen the differentiated value proposition of the Company by de-bottlenecking the customer challenges when handling sensitive live probiotic strains in their own manufacturing. The strategy increases customer loyalty and builds barriers around the business, driving revenue growth and profitability potential.

Commercial
2023 set a landmark for the Company's continued double digit growth rates. Several new products were launched in Germany, China, Taiwan, and Malaysia and the Company also experienced continued growth from existing products on the market in USA, Italy, and other European countries.



- Launch of YourBiotix in Germany in partnership with Germany's third largest pharmacy brand under their Symbiolact brand umbrella. The launch is part of Symbiopharm's long term strategy to further build their leading position within the preventative cardiometabolic health segment through introduction of clinically backed supplements in the cardiometabolic space.

- Successful growth in Germany and expansion into China through a long-standing commercial German partner. The geographical expansion of the brand is expected to continue to hold significant growth potential with the potential opportunity to launch line extensions for the Chinese market once the first product has successfully established a position in the market.

- Significant investment in rebranding by Italian commercial partner to allow for further growth of their existing brand outside the practitioner category by tapping into the attractive Italian consumer health segment and mega consumer trend within healthy aging.

- Continuation of robust growth by US-partner driven by diversification into new sales channels and distribution platforms combined with strong consumer advertisement.

- Product launch by Taiwanese partner with a strong focus on online sales of products within the cardiometabolic area. Additional SKUs anticipated launchingduring 2025, once the first product has successfully settled in the market.

In the middle of 2023, a distribution agreement was entered with leading Australian distributor TransChem allowing for exploration of business opportunities in Australia/New Zealand, South-East Asia and cross-border sales into China. YourBiotix has been introduced to leading brands in the region which has led to several commercial projects with significant potential commercial value already underway.

Our sales pipelines in Europe and USA were lifted to the next level of robustness with a doubling of active sales projects including a number of strategic projects with leading brands moving towards a 2025 or 2026 launch.

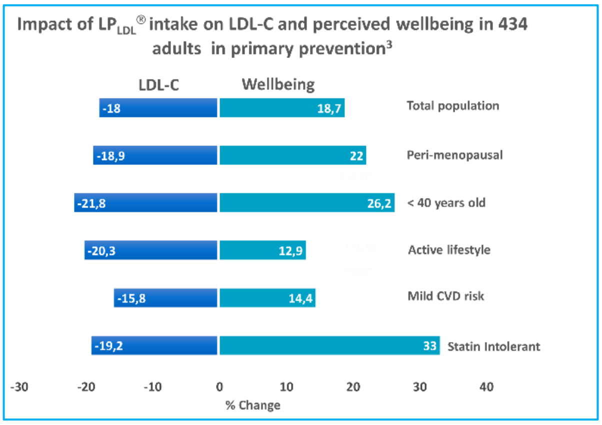
Operations

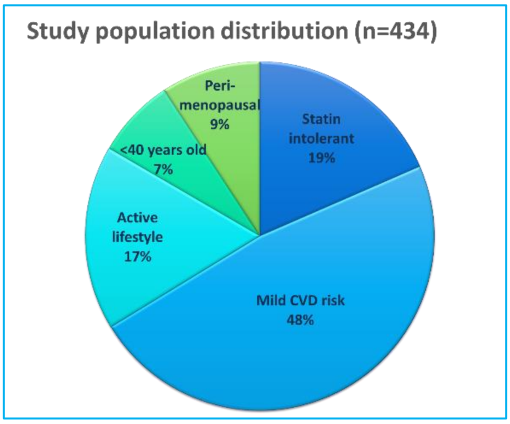
The Company expanded its network of strategic contract manufacturers in both Europe and North America during the course of 2023 with the objective of being ready to absorb the significant trajected sales growth throughout the planning period. Alongside focus shifting from bulk strain sales to sales of finished turnkey solutions, there will be an increasing need for flexibility to cater for product customization needs, focus on supply security and risk mitigation as well as a desire to capture the value created by economy of scale alongside the trajected volume growth.

Research & Development

In 2023, ProBiotix launched a new innovate and groundbreaking direct dosage stick format – **YourBiotix InstaMelt** – to accommodate the need for innovation and differentiation requested by our partners. This new dosage holds the key to opening an attractive market segment with consumers suffering pill fatigue or inability to take tablets or pills. The product is a first of its kind within cardiometabolic health probiotic supplements and offers a unique experience of melting directly in the mouth. The InstaMelt stick has a global appeal and plays a vital role in the Company´s strategy for penetration of the APAC region. The InstaMelt technology will support building additional entry barriers around the business and position ProBiotix as an innovator and industry disruptor.

A comprehensive retrospective study was published on the use of the AlfaSigma brand Ezimega3 containing LP_{LDL}®, as the key active ingredient. The study included 434 Italian subjects and is the largest to date of its kind on LP_{LDL} containing commercial products. The 434 subjects included measurement in several demographic subgroups and captured the reduction in LDL cholesterol (bad cholesterol) as well as perceived wellbeing after 3-6 months' intake of Ezimega3. The study resulted in very positive and consistent results and once again confirmed the in-vivo efficacy of LP_{LDL} by showing an average lowering of LDL cholesterol of 15.8% - 21.8% and improved the perceived wellbeing by 14.4% - 33.0% depending on sub-group. The result of the study opens additional commercial opportunities for the use of LP_{LDL} within new consumer segments like peri-menopausal women and individuals with an active lifestyle.





In 2023, the Company alsoi commenced its fourth own clinical study, which is a multicenter, double-blind, placebo-controlled, randomized clinical study on the efficacy of YourBiotix in combination with stanols and sterols in improving blood lipid profiles in hypercholesterolaemic adults with coeliac disease diagnosis conducted in Italy (University of Salerno) and the UK (University of Roehampton). With the Italian cohort of twenty-nine volunteers completed, results are aligned with previous studies showing statistically significant and biologically relevant improvements in total cholesterol, LDL-cholesterol and apolipoprotein B, all recognized risk biomarkers for coronary heart disease. The results for the Italian cohort were presented at Probiota Milan 2024 in DATE. The UK cohort Is currently being recruited

Results

Sales for the year showed an increase of 27.8% to £1.67m (2002:£1.31m) with a gross profit of £872k (2022:£739k). Administration costs rose during the year to £1.55m (2022: £800k) as part of the plan to build a strong platform in order to implement the 5 year growth strategy. After administrative costs and share based payments expenses there was a loss before tax of £769K, (2022:£262k)

The Group ended the year in a very strong financial position with cash balances totalling £1.51m. (2022:£1.74m).

Board and Management

In 2023, as a pivotal part of securing the foundation for a strong strategy implementation, the Company has been focussing on building the organisational platform and successfully onboarded a strong and experienced team to support the business.As a result, the Company has benefitted from several senior management appointments which collectively bring to the Company more than 100 years' industry and market experience.

- Appointment of Mr. Niels Peter Bak as Head of Product Management was announced in July 2023. Niels Peter joined the management team in September 2023 as a cornerstone in securing diligent executing of the Company's strategy to focus the business on finished supplement dosage formats, further accelerating product formulation development and increasing the responsiveness to individual customer requirements for customisation. Niels Peter is a talented industry veteran with a proven track record in strategy execution, business to business product management, product development and technical marketing. Niels Peter has held senior technical and commercial positions with Chr. Hansen, ADM, Deerland Probiotics & Enzymes, Bifodan and LactoBio.

- Mr. Michael Litichevski was appointed Head of Global Sales in late 2023 and joined the Company on 1 January 2024. The onboarding of Michael is part of the Company's strategy to build a strong commercial team and local market presence to support the long-term growth, build sales pipeline and increase customer access. Michael has contributed with over 25 years' experience in building B2B sales, of which more than 11 years specifically within commercialisation of innovative and high quality probiotic dietary supplements. He has previously held positions like VP of Sales at Deerland Probiotics & Enzymes, VP sales of Bifodan and has worked in commercial positions for large organisations such as Orkla Health and Nycomed Pharma.

- Mr. Mads Brandt was appointed Head of Global Supply Chain in October 2023 and started working in the Company in December 2023. The hiring of Mads is a key anchor point in building a strong infrastructure to support the supply of product to the increasing number of customers and order lines arising from the strategy execution. Mads has held several senior supply chain and operations positions with companies like Leo Pharma, Dako, Unomedical as well as having acted as management consultant assisting several leading pharmaceutical, medical device and nutrition companies with supply chain and operation strategy and optimisation.

The Company anticipates implementing further changes to the Board, Management, and organisation as needed to successfully progresses the execution of the growth strategy of becoming a leading solutions provider of finished probiotic supplements within metabolic health and healthy aging and to capitalise on the opportunities created by the Company's promising growing sales pipeline and customer portfolio.

Outlook

ProBiotix has started 2024 continuing the strong trade from 2023. The current order holding, the maturity of the sales project pipeline with both new and existing customers combined with the increased traction in our two key markets – EMEA and NA – lead Management to have a positive outlook for the year.

Our efforts to establish a strong commercial presence in USA, which the Company started up in early 2023, is showing first indications of successful implementation through manifestation of several new sales projects with leading regional brands having an anticipated planned product launch for 2025 or 2026. There is a strong consumer movement in the Healthy Aging space in the USA, and consequently, the leading brands are showing an increased interest in the cardiometabolic prevention area. Our YourBiotix portfolio, and especially $LP_{LDL,}$ has proven to hold a strong position as offset for executing the required customisation driven by the US market needs, leading to a significant increase in the number of new sales projects being started.

The instrumental approach and increase in the commercial activities in Europe focussing on specific selected markets such as Germany, France, Spain, and UK/Ireland has already this year manifested itself in a significant expansion of the sales project pipeline and is expected to pave the way for continued positive and steady growth of our revenue generated out of this region over the years to come.

The initial - but very promising - steps have been taken to form the strategic approach for the APAC region. In 2024, we have started testing our value proposition in China and South Korea as these markets have a high affinity to our value proposition which resonates well with both industry and consumer trends. Management believes that the initial positive interest from these markets is a strong indicator for the future potential once the second phase of the strategy plan will be rolled out in early 2026.

Our new InstaMelt stick has been introduced at the annual global Health & Nutrition exhibition Vitafoods in Geneva in May 2024 with more than 100 relevant leads generated in total. A significant number of promising leads are linked to the new InstaMelt stick based on which it is our assessment that the innovative product concept resonates well with our business-to-business customers as well as with consumers. InstaMelt will be showcased at North America´s largest Health & Nutrition exhibition Supply Side West in late October. 2024 The product concept is anticipated to receive the same level of positive interest as was observed at Vitafoods. Based on the positive traction of the InstaMelt stick thus far, we are confident that the technology will be a lever to open the attractive North American market and a perfect fit with the attractive multilevel marketing segment. Together with the rest of the products in our portfolio, InstaMelt is believed to provide differentiation and ability to create the foundation for a robust expansion of the North American sales project pipeline and customer base.

Our short- and medium-term focus will remain on building the customer acquisition in Europe, establishing the commercial platform in North America alongside further maturing the organisation to be able to respond to the continued growth of the business. We will maintain focus on developing turnkey consumer solutions and continue the transitioning from sales of bulk ingredients to finished formats. As part of our focus on finished products, we will continue to expand our range by developing new dosage formats such as chewable tablets and develop new and improved packaging formats to extend shelf-life. In research and development, we will increase focus on developing or in-licensing new probiotic strains to cater for expansion of our product offering to additional indication area within the mega consumer trend of Healthy Aging and sustain the robustness of our cardiometabolic health claims on LP_{LDL}®.

This strategy represents a clear five-year pathway to lay the ground for ProBiotix to reach the aspiration level of building annual sales of £10 million while shifting the balance of the business from bulk sales of LP_{LDL}® to sales of finished products.

By the additions to the management team in 2023, the organisational foundation has been established. In order to support strategy execution and ensure ability to deliver our targeted results, we will need to make further adjustments to the internal structure of the business and recruit additional personnel within sales, quality, and regulatory areas. Additional staffing costs mean that, whilst we expect sales to continue to grow positively in 2024, the additional investment will negatively impact profitability in 2024 and 2025 but will form a much stronger platform for delivering growth and shareholder value in the medium and longer term.

We will continue to work with Aquis and explore opportunities within other markets, including AIM, to increase liquidity in the ProBiotix shares.

The Company sees 2024 as a year of opportunity with a potential for accelerated growth whilst in parallel building the Company team to support the structure to drive continuation of growth.

The scale of the market opportunity in probiotics and cardiometabolic health, the proven efficacy of our products, the substantial scope for expansion of our range and geography, the quality and experience of our management team and organisation, the clarity and distinctiveness of our future strategy, all allow us to look to the future with confidence and enthusiasm.

A Reynolds
Chairman

26 June 2024

S Andersen
Director

26 June 2024

Consolidated statement of comprehensive income

	Notes	Year ended 31 December 2023 £'000	Period from 4 November 2021 to 31 December 2022 *restated £'000
Revenue from contracts with customers	**3**	1,673	1,309
Cost of sales		(801)	(570)
Gross Profit		**872**	**739**
Share based payment cost		(31)	(18)
Depreciation and amortisation		(53)	(37)
Listing costs		-	(166)
Other administrative costs		(1,550)	(798)
Total administrative expenses	**6**	(1,634)	(1,019)
Operating loss		**(762)**	**(280)**
Finance cost	**5**	-	-
Finance income	**5**	-	59
		-	59
Loss before tax		(762)	(221)
Taxation	**7**	(15)	(12)
Loss for the period		(747)	(233)
Other comprehensive income		-	-
Total comprehensive loss for the period		(747)	(233)
Total comprehensive loss attributable to:			
Owners of the company		(747)	(233)
Earnings per share from continued operations			
Basic profit/(loss) per share - pence	**8**	(0.61)p	(0.26)p
Diluted profit/(loss) per share - pence		(0.61)p	(0.26)p

Consolidated Statement of Financial Position

	Notes	As at 31 December 2023 £'000	As at 31 December 2022 *restated £'000
ASSETS			
Non-current assets			
Intangibles	**9**	301	358
		301	358
CURRENT ASSETS			
Inventories	**11**	103	49
Trade and other receivables	**12**	266	496
Cash and cash equivalents	**13**	1,502	1,740
		1,871	2,285
TOTAL ASSETS		**2,172**	**2,643**
EQUITY			
Shareholders' Equity			
Called up share capital	**14**	61	61
Share premium	**15**	3,338	3,338
Share based payment reserve	**15**	57	26
Group reorganisation reserve	**15**	(945)	(945)
Retained earnings	**15**	980)	(233)
Total Equity		**1,531**	**2,247**
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	566	307
		566	307
Non - current liabilities			
Deferred tax liability	**17**	75	89
		75	89
TOTAL LIABILITIES		**641**	**396**
TOTAL EQUITY AND LIABILITIES		**2,172**	**2,643**

Consolidated Statement of Changes in Equity

	Called up Share capital £'000	Share Premium £'000	Share-based Payment Reserve £,000	Group Reorganisation Reserve £'000	Retained Earnings £'000	Total equity £'000
At 4 November 2021	-	-	-	-	-	-
Group reorganisation	-	-	-	(945)	-	(945)
Loss for the period	-	-	-	-	(215)	(215)
Share issue	61	3,514	-	-	-	3,575
Share issue costs	-	(176)	-	-	-	(176)
Share based payments	-	-	8	-	-	8
Balance at 31 December 2022	61	3,338	8	(945)	(215)	2,247
Prior period adjustment (note21)	-	-	18	-	(18)	-
As at 1 January 2023 (restated)	61	3,338	26	(945)	(233)	2,247
Loss for the period	-	-	-	-	(747)	(747)
Share based payments	-	-	31	-	-	31
Balance at 31 December 2023	61	3,338	57	(945)	(980)	1,509

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Cash flows from operating activities			
Cash utilised by operations	**1**	(238)	(720)
Net cash outflow from operating activities		(238)	(720)
Cash flows from investing activities			
Purchase of intangible assets		-	(52)
Cash acquired on acquisition of subsidiary		-	188
Net cash outflow from investing activities		-	136
Cash flows from financing activities			
Share issues net of issue costs		-	2,324
Net cash inflow from financing activities		-	2,324
Increase/(decrease) in cash and equivalents		(238)	1,740
Cash and cash equivalents at beginning of period		1,740	-
Cash and cash equivalents at end of period	**2**	1,502	1,740

Notes to the Consolidated Statement of Cash Flows

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

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 *restated £'000
Operating loss	(762)	(280)
Share based payments	33	18
Decrease/(Increase) in inventories	(53)	(49)
Decrease/(Increase) in trade and other receivables	231	(497)
Increase/ (Decrease) in trade and other payables	260	307
Amortisation of patents and development costs	53	37
Adjustment for net working capital required on common control transaction	-	(256)
Net cash outflow from operations	(238)	(720)

2. Cash and Cash Equivalents

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Cash and cash equivalents	1,502	1,740

	Notes	As at 31 December 2023 £'000	As at 31 December 2022 £'000
ASSETS			
Non-current assets			
Investments	**10**	54	50
		54	50
CURRENT ASSETS			
Trade and other receivables	**12**	78	79
Cash and cash equivalents	**13**	473	1,449
		551	1,528
TOTAL ASSETS		**605**	**1,578**
EQUITY			
Shareholders' Equity			
Called up share capital	**14**	61	61
Share premium	**15**	3,338	3,338

Share based payment reserve	**15**	57	26
Retained earnings	**15**	(2,933)	(1,889)
Total Equity		**523**	**1,536**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**16**	82	42
TOTAL LIABILITIES		**82**	**42**
TOTAL EQUITY AND LIABILITIES		**605**	**1,578**

Company Statement of Changes in Equity

	Called up Share capital £'000	Retained Earnings £'000	Share Premium £'000	Share-based Payment reserve £'000	Total equity £'000
As at incorporation 4 November 2021	-	-	-	-	-
Loss for the year	-	(1,871)	-	-	(1,871)
Issues of shares during the year	61	-	3,514	-	3,575
Share issue costs	-	-	(176)	-	(176)
Share based payments	-	-	-	8	8
	61	(1,871)	3,338	8	1,536
Prior period adjustment (note21)	-	(18)	-	18	-
As at 1 January 2023 (restated)	61	(1,889)	3,338	26	1,536
Loss for the year	-	(1,044)	-	-	(1,044)
Share based payments	-	-	-	31	31
Balance at 31 December 2023	61	(2,933)	3,338	57	523

Company Statement of Cash Flows

	Notes	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Cash flows from operating activities			
Cash utilised by operations	**1**	(639)	(492)
Net cash outflow from operating activities		(639)	(492)
Cash flows from financing activities			
Share issues net of issue costs		-	2,324
Net cash inflow from financing activities		-	2,324
Cash flows from investing activities			
New subsidiary investment		(5)	-
Net amounts advanced to subsidiary		(332)	(383)
Net cash inflow from investing activities		(337)	(383)
Increase/(decrease) in cash and equivalents		(976)	1,449
Cash and cash equivalents at beginning of period		1,449	-
Cash and cash equivalents at end of period	**2**	473	1,449

Notes to the Company Statement of Cash Flows

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

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Operating (loss)/Profit	(1,044)	(1,889)
Share based payment expense	31	18
Increase/(Decrease) in trade and other receivables	2	(79)
Loan to subsidiary written off	332	1,416
(Decrease)/Increase in trade and other payables	40	42
Net cash outflow from operations	(639)	(492)

2. Cash and Cash Equivalents

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Cash and cash equivalents	473	1,449

Notes to the Financial Statements

1. General Information

ProBiotix 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 First Floor Zucchi Suite, Nostell Business Estate, Wakefield, England, WF4 1AB. The Company is listed on the AQSE Growth Market .

The principal activity is that of developing probiotics to tackle cardiovascular disease and other lifestyle conditions which are affecting growing numbers of people across the world.

These financial statements present the results and balances of the Company and its subsidiaries (together, the 'Group') for the year ended 31 December 2023.

2. Accounting Policies

Statement of compliance

The consolidated financial statements of Probiotix Health Plc have been prepared in accordance with UK adopted international accounting standards (IFRSs), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These are the first financial statements prepared 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.

On 7 February 2022 the Company acquired 100% of the share capital of Probiotix Limited. At that time, the Company was a subsidiary of Optibiotix Health plc and so the acquisition represented a common control transaction outside the scope of IFRS 3.

Therefore the Board determined that the most appropriate accounting policy is to apply merger accounting prospectively from 31 March 2022 being the date of the Group's IPO on AQSE Growth. The Group consolidated Probiotix Limited's assets and liabilities at book value at 31 March 2022, with the difference between the nominal value of shares issued and net liabilities acquired recorded in a reserve within equity.

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 looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of these financial statements and are satisfied that the group should be able to cover its forecast maintenance costs, other administrative expenses and its ongoing research and development expenditure. The Board has performed a stress test of their cashflow should the projected revenue not materialise as anticipated. In such an event the Board would actively consider fundraising and other mitigating actions to ensure the Group continues as a going concern.

Management have considered its forecast of the group's cash requirements reflecting contracted and anticipated future revenue and the resulting net cash outflows. Management have not seen a material disruption to the business as a result of the current political crises in Europe. Management will keep events under constant review, and remedial action will be taken if the situation demands it.

2. Accounting Policies (continued)

After making enquiries, the Directors have a reasonable expectation that the Group has 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 2023

The accounting policies adopted are consistent with those of the previous financial year. In addition, the Group has adopted the new, and amendments to, standards listed below. These amendments were either not applicable or not material to the Group or Parent Company.

International Accounting Standards (IAS/IFRS)	Effective date
Initial Application of IFRS 17 and IFRS 9—Comparative Information	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023

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:

International Accounting Standards (IAS/IFRS)	Effective date
Classification of liabilities as current or non-current and non-current liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of exchangeability - Amendments to IAS 21	1 January 2025

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 IFRSs or IFRIC 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.

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.

2. Accounting Policies (continued)

2.1 Business combinations

Subsidiaries are all entities which the Group has control. The subsidiary consolidated in these Group accounts was acquired via group re-organisation and as such merger accounting principles have been applied. The subsidiary's results are consoidated for the period from the date the company took control of it.

This is a business combination involving entities under common control Therefore, the assets and liabilities of Probiotix Limited have been recognised and measured in these consolidated financial statements at their pre combination carrying values.

The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and subsidiary. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to affect the consolidation.

The difference between consideration given and net assets of PL at the date of acquisition is included in a Group reorganisation reserve. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated during the consolidation process.

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 made available for collection by the customerso revenue is primarily recognised for each product when notification of availability is communicated to the customer. 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.Accounting Policies (continued)

2.3 Investments

Investments in subsidiaries and joint ventures are stated at cost less, where appropriate, provisions for impairment. The Company tests the investment balances for impairment annually or when there are indicators of impairment

2.4 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.

2.5 Financial instruments

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

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

2. Accounting Policies (continued)

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

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.

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

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

2.7 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.

2.8 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. Accounting Policies (continued)

2.9 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.

2.10 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 issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the period ended 31 December 2023.

2. Accounting Policies (continued)

2.11 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.

2.12 Intangibles – Patents and Trademarks

Separately acquired patents are shown at historical cost. Patents 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 patents over their estimated useful life of ten years once the patents have been granted.

2.13 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.

2.14 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 period.

2. Accounting Policies (continued)

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.

- **Amortisation**
  Management have estimated that the useful life of the fair value of the patent development costs that have been capitalised in line with the recognition criteria of IAS38 have been estimated to have a useful economic life of 10 years . Research and developments that have been capitalised 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.

- **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.

3. Segmental Reporting

In the opinion of the directors, the Group has one class of business, in three geographical areas being that of identifying and developing microbial strains, compounds and formulations for use in the nutraceutical industry. The Group sells into three highly interconnected markets, all costs assets and liabilities are derived from the UK location.

Revenue analysed by geographical market

	Year ended 31 December 2023 £'000	**Period ended 31 December 2022 £'000**
UK	65	43
US	1,008	934
Rest of world	600	332
	1,673	1,309

During the reporting period one customer represented £1.0m, (59.8%) of Group revenues. (2022: one customer generated £0.921m representing 70% of Group revenues)

4. Employees and Directors

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Wages and salaries	208	106
Directors' remuneration	436	125
Directors' fees	65	187
Social security costs	20	25
Pension costs	40	14
	769	457

Wages and salaries of £177k represent a recharge of salaries from Optibiotix Health PLC for employees who are under employment contracts with Optibiotix and recharged under a share services agreement.

	Year ended 31 December 2023 No.	Period ended 31 December 2022 No.
The average monthly number of employees during the period was as follows:		
Group		
Directors	5	3
Selling, General and Administration	2	2
	7	5
Company		
Directors	**5**	4
	5	**4**

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Directors' remuneration	501	233
Directors' share based payments	-	-
Bonus	-	70
Pension	22	9
Total emoluments	523	312

4. Employees and Directors (continued)

Emoluments paid to the highest paid director

Remuneration for qualifying services	238	120
Company pension contributions to defined	12	3
	250	123

There are no key management personnel other than the directors of the company.

The number of directors to whom defined contribution pension benefits accrue is 2. No directors exercised share options in the period.

Directors' remuneration

Details of emoluments received by Directors of the Group for the year ended 31 December 2023 are as follows:

	Remuneration and fees	Bonuses	Share based payments	Pension Costs	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
A Reynolds*	30	-	-	-	30
S Andersen*	238	-	-	12	250
S P O'Hara*	53	-	-	2	55
M Caspani*	20	-	-	-	20
M Hvid-Hansen*	160	-	-	8	168
Total	501	-	-	22	523

*For disclosure in relation to directors' fees please refer to Note 18.

Details of emoluments received by Directors of the Group for the year ended 31 December 2022 are as follows:

	Remuneration and fees	Bonuses	Share based payments	Pension Costs	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
A Reynolds	22	30	-	-	52
S P O'Hara	90	30	-	3	123
M Caspani	15	-	-	-	15
M Hvid-Hansen	106	10	-	6	122
Total	233	70	-	9	312

5. Net Finance Income / (Costs)

	Year ended 31 December 2023	Period ended 31 December 2022
	£'000	**£'000**

Finance Income:		
Interest on convertible loan notes waived on conversion	-	59
Finance Cost:		
	-	-
Net Finance Income / (Costs)	-	59

6. Expenses – analysis by nature

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 *restated £'000
Research and development	31	4
Directors' fees & remuneration (Note 4)*	523	314
Salaries	208	106
Auditor remuneration - audit fees (Group and Company accounts	38	35
Brokers & Advisors	216	123
Listing costs	-	166
Share based payments	31	18
Advertising & marketing	132	68
Amortisation	53	37
Legal and professional fees	132	32
Insurance	13	6
Rent	18	0
FX	43	3
Printing and stationery	26	0
Computer running costs	20	9
Travel costs	57	6
Other expenses	93	92
Total administrative expenses	1,634	1,019

7. Corporation Tax

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Deferred tax movement	(14)	(12)
Corporate tax credits	-	-
Total taxation	(14)	(12)

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2023 nor for the period ended 31 December 2022.

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Profit (Loss) on ordinary activities before income tax	762	(203)
Loss on ordinary activities multiplied by the effective rate of corporation tax in UK of 23.5% (2022:19%)	(179)	(39)
Effects of:		
Disallowables	8	303
Income not taxable	-	(265)
Amortisation	12	9
Losses utilised	(16)	(66)
Unused tax losses carried forward	175	58
Tax credit	-	-

The Group has estimated losses of £0.94m (2022: £0.28m) which can be carried forward to be utilised against future profits.

The tax losses have resulted in a deferred tax asset at 25% of approximately £0.24m (2022: £0.07m) which has not been recognized as it is uncertain whether future taxable profits will be sufficient to utilise the losses.

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	2023 Weighted average Number of shares No.	Profit per-share Pence
Basic EPS	(747)	121,666,666	(0.61)
Diluted EPS	(747)	121,666,666	(0.61)

	Earnings £'000	2022 *restated Weighted average Number of shares No.	Profit per-share Pence
Basic EPS	(233)	90,398,559	(0.26)
Diluted EPS	(233)	90,398,559	(0.26)

As at 31 December 2023 there were 6,500,000 (2022: 6,500,000) outstanding share options. These are non-dilutive due to the losses incurred in the year.

9. Intangible assets

the	Development Costs and Patents £'000
Cost	
At 4 November 2021	
Acquired in Probiotix Ltd acquisition	475
Additions	53
Disposals	-
At 31 December 2022	528
Additions	-
Disposals	-
Impairment	(4)
At 31 December 2023	524
Amortisation	
At 4 November 2021	-
Acquired in Probiotix Ltd acquisition	133
Amortisation charge for the year	37
At 31 December 2022	170
Amortisation charge for the year	53
Amortisation eliminated on impairment	=-
At 31 December 2023	223
Carrying amount	
At 31 December 2023	301
At 31 December 2022	358

All intangible assets relate to the group's principal activities.

The company had no intangible assets

10. Investments

	2023 £'000	2022 £'000
Investments		
At the beginning of the period	50	-
Additions	4	50
At 31 December	54	50

As at 31 December 2023 the Company directly held the following subsidiaries:

Name of company	Nature of Business	Active / Dormant	Country of incorporation and place of business	Proportion of equity interest
Probiotix Limited	Health Foods	Active	United Kingdom	100% of ordinary shares
Probiotix Health Denmark Aps	Health Foods	Active	Denmark	100% of ordinary shares

The registered office of Probiotix Limited is the same as the company.

Probiotix Denmark registered office is Transformervej 14 2860 Søborg, Denmark

The Company acquired its 100% interest in Probiotix Limited in the period by way of a share for share exchange

Probiotix Denmark APS was incorporated during the year.

11. Inventories

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£	£
Finished goods	103	11	-	-
Work in progress	-	38	-	-
Finished goods	103	49	-	-

During the period £0.801m (2022: £0.570m) has been expensed to the income statement.

12. Trade and other Receivables

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Accounts receivable	203	397	-	-
Other receivables	50	90	70	70
Prepayments	13	9	8	9
	266	496	78	79

See note 21 in respect of the group's credit risk assessment.

13. Cash and Cash Equivalents

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash and bank balances	1,502	1,740	473	1,449

14. Called Up Share Capital

Issued share capital comprises:	2023 £	2022 £
Ordinary shares of 0.0005p each – 121,666,666 (2022: 121,666,666)	60,833	60,833
	60,833	60,833

On 4 November 2021 the Company was incorporated with 1 share of £1

On 7 February 2022 the £1 share capital was converted into 2,000 Ordinary shares of £0.0005 each.

On 4 March 2022 99,998,000 Ordinary shares of £0.0005 were issued to acquire the whole share capital of Probiotix Limited.

On 31 March 2022 9,761,904 Ordinary shares of £0.0005 were issued in settlement of convertible loan notes which automatically converted to shares on IPO at a conversion rate based on 50% of the IPO price.

On 31 March 2022 11,904,762 Ordinary shares of £0.0005 were used at 21p a share in respect of a placing and subscription.

15. 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.

Group reorganisation reserve arises from the 100% acquisition of ProBiotix Limited on 31 March 2022 whereby the excess of the nominal value of the issued ordinary share capital issued over the net liabilities acquired is transferred to this reserve.

At 31 March 2022 Probiotix Health Plc investment in Probiotix Limited was £50k and the net liabilities acquired were £995K, resulting in the recognition of a group reorganisation reserve of £945k.

Retained earnings represents the cumulative profits and losses of the group attributable to the owners of the company.

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

No dividends are proposed in respect of the period

16. Trade and other payables

Current:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accounts Payable	466	179	33	4
Accrued expenses	66	75	49	15

Other payables	34	53	-	23
Total trade and other payables	566	307	82	42

All payables are due within 12 months.

17. 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% (2022: 25%).

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

	2023 £'000	2022 £'000
At 31 December	89	-
Acquired in common control transaction	-	78
Movement in the period	(14)	11
At 31 December	75	89

The deferred tax liability relates to timing differences in respect of tax treatment of intangible assets.

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 whether the assets are recoverables.

18. Related Party Disclosures

Group

During the year to 31 December 2023 £30,000 was paid to Reyco Limited for the services of Adam Reynolds as Director of ProBiotix Health Plc. The year end balance was NIL

During the year to 31 December 2023 £20,000 was paid to Marco Caspani for his the services of Marco Caspani as Director of ProBiotix Health plc. The year end balance was NIL

During the year to 31 December 2023 £59,799 was invoiced by Optibiotix Health Plc for the services of Stephen O'Hara as Director of ProBiotix Health Plc. The year end balance was £15,000

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

- £490,786 (2022: £440,663) for salaries and administration costs;
- £67,701, (2022: £60,676) income received on behalf of Probiotix limited; and
- £425,640 (2022: £544,177) repayments received.

There was no interest charged during the year. The remaining balance of £27,592 was received after the year end.

During the year to 31 December 2023 the Group purchased LPLDL stock to the value of £607,390, (2022: £490,001) from Centro Sperimentale del Latte srl, a company in which Marco Capsani is a director. At 31 December 2023 there was balance owing to Centro Sperimentale del Latte srl of £232,010, which was paid after the year end.

Company

During the year to 31 December 2023 £167,957 (2022: £126,065) was paid to Balin S.a.g.l for the services of Mikkel Hvid-Hansen as Director of ProBiotix Health Plc.

During the year £249,832 (2022:NIL) was paid to Probiotix Denmark Aps for the services of Steen Andersen as CEO of Probiotix Health Plc. The year end balance was NIL.

During the year £173,363 (2022:NIL) was paid to Probiotix Denmark Aps for management fees and operating costs. Of the £173,363 paid during the year , £51,185 relates to a part prepayment of fees for the

During the year Probiotix Health PLC loaned Probiotix limited £539,514, (2022: £1,543,948) of which £207,735, (2022: £147,837) was repaid. The balance at the 31 December 2023 of £331,779,(2022: £1,396,111) was cancelled. This does not impact on the consolidated Group accounts.

Director remuneration has been fully disclosed as per requirements under note 4

19. Ultimate Controlling Party

The Board consider that there is no overall controlling party.

20. Share Based payment Transactions

(i) Share options

The Company had introduced a share option programme to grant share options as an incentive for employees.

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.

The remaining life of all options is 8.25 years.

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

	Number of options		Average exercise price	
	2023	2022	2023	2022
	No.	No.	£	£
Outstanding at the beginning of the period	6,500,000		0.21	
Granted during the period	-	6,500,000	-	0.21
Forfeited/cancelled during the year				-
Exercised during the period	-		-	-
Outstanding at the end of the period	6,500,000	6,500,000	0.21	0.21

Expected volatility is based on a best estimate for an AIM listed entity. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair values of the last share options issued were derived using the Black Scholes model. The following assumptions were used in the calculations:

Grant date	31/03/2022
Exercise price	21p
Share price at grant date	22p
Risk-free rate	1.109%
Volatility	55%
Expected life	10 years
Fair value	14.2p

A charge of £31k (2022: £18k) has been recognised during the year for the share based payments over the vesting period.

In respect of options which include market based vesting conditions in respect of revenue and share price 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 2023 accounting period in which they were granted.

125,000share options were exercisable at 31 December 2023.

20. Share Based payment Transactions (Continued)

(i) Warrants

On 31 March 2022, the Company executed a warrant instrument to create and issue warrants to Peterhouse to subscribe for, an aggregate, of 112,857 Ordinary Shares. The warrants will be exercisable at any time from Admission for a period of ten years from Admission at the Fundraising Price.

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

	Number of warrants		Average exercise price	
	2023	2022	2023	2022
	No.	No.	£	£
Outstanding at the beginning of the period	112,857	-	0.21	
Granted during the period	-	112,857	-	0.21
Outstanding at the end of the period	112,857	112,857	0.21	0.21

A charge of £7,900 (2022: £7,900) has been recognised during the year for the share based payments over the vesting period.

The warrants were issued to the company's broker in respect of shares issues on IPO and so the fair value has been deducted from share premium.

21. Prior Period Adjustments

During the preparation of the 2023 Financial Statements, errors in respect of share option charge was identified, therefore, the Group and the Company has provided a restated Balance Sheet as at 31 December 2022 in accordance with IAS 8. Principally, the error identified was that the share option charge had not been accounted for in the prior period. This resulted in share option charge being understated in the previous period. The effect of the restatement on the Group and the Company Balance Sheet for prior year is to decrease retained earnings by £18k and a corresponding increase share option reserves by £18k.

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 are liquidity risk and capital 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. The numerical disclosures exclude short-term debtors and their carrying amount is considered to be a reasonable approximation of their fair value.

Interest risk

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

Credit risk

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.

On 31 March 2022 as part of the common control transaction the group acquired £345k of credit-impaired receivables against which full provision had been made prior to that date.

In the year to 31 December 2023 £125k of the debt was recovered and returned to Optibiotix Limited against the provision in their accounts. No additional credit loss provision has raised after having regard to cash collections on other receivables.

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 and reserve borrowing facilities 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.

22. Post Balance Sheet Events

There were no post balance sheet events.

The Company's audited accounts for the year ended 31 December 2023 contain the following statement from the Company's auditors:

Material Uncertainty related to going concern
We draw attention to note 2 of the financial statements which indicates that the Board has stress tested the cashflow should the projected revenue not materialise as anticipated. In such an event the board would actively consider fundraising and other mitigating actions to ensure the Group continues as a going concern. Any future fundraising would require the agreements and consents from third parties which are not within the direct control of the Company and accordingly, this event and condition constitute material uncertainties that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern, and therefore, that the Group and parent Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Our opinion is not modified in respect of these matters.

NOTICE OF ANNUAL GENERAL MEETING
PROBIOTIX HEALTH PLC

Notice is hereby given that the Annual General Meeting of OptiBiotix Health PLC (the "Company") will be held at the offices of Peterhouse Capital Limited, 3rd Floor,80 Cheapside,London.EC2V 6EE on 8 August 2024 at 13:30 for the following purposes:

1. To receive the Company's Report and Accounts for the year ended 31 December 2023.

2. To re-elect Stephen O'Hara , who retires by rotation, as a Director.

3. To re-elect Marco Caspani , who retires by rotation, as a Director.

4. To re-appoint Gerald Edelman LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

<u>Special Business</u>

To consider and, if thought fit, to pass the following resolutions as to the resolution numbered 5 as an Ordinary Resolution and as to the resolutions numbered 6 as a Special Resolution:

5. **THAT** the Directors be and they are hereby authorised generally and unconditionally for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and/or rights being "Relevant Securities") up to an aggregate nominal amount of £20,277.78 being one third of the current issued share capital, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date being the earlier of the date 15 months after the passing of this Resolution and the conclusion of the Annual General Meeting of the Company to be held in 2025, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

   This authority shall be in substitution for and shall replace any existing authority pursuant to Section 551 of the Act to the extent not utilised at the date this resolution is passed.

6. **THAT**, subject to and conditional upon the passing of resolution 8, the Directors be and they are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred under Resolution 5 above as if sub-section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:-

   (a) the allotment of equity securities in connection with a rights issue or any pre-emptive offer in favour of holders of ordinary shares in the Company where the equity securities attributable to the respective interests of such holders are proportionate (as nearly as maybe) to the respective numbers of ordinary shares held by them on the record date for such allotment subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or any legal or practical difficulties under the laws of, or the requirements of, any regulatory body or stock exchange of any overseas territory or otherwise;

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £18,250 being 30% of the current issued share capital;

and shall expire on the date being the earlier of the date 15 months after the passing of this Resolution and the conclusion of the Annual General Meeting of the Company to be held in 2025, provided that the Company may before such expiry make an offer or agreement which would require equity securities to be allotted in pursuance of such offer or agreement as if the power conferred hereby had not expired and provided further that this authority shall be in substitution for and supersede and revoke any earlier power given to directors.

By Order of the Board
Steen Andersen

Registered Office:
First Floor Zucchi Suite,
Nostell Business Estate,
Wakefield, England,
WF4 1AB

28 June 2024

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company is entitled to appoint a proxy or proxies to attend, speak and vote at the meeting in his stead. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy does not need to be a member of the Company.

2. To be effective Forms of Proxy can be registered as follows:-

    • by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions;

    • by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;

    • in the case of CREST members, by utilising the CREST electronic proxy appointment service in
    accordance with the procedures set out in note [5] below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by
13:30 on 24 July 2023

3. To change your proxy instructions simply submit a new proxy appointment using the methods set out above and in the notes to the Form of Proxy. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

4. To be entitled to vote at the meeting (and for the purpose of the determination by Company of the number of votes they may cast), members must be entered in the Register of members at 13:30 on 24 July 2023 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST

members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCO Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent 7RA36 by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned totake (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Resolution 1

The Directors are required by law to present to the meeting the Audited Accounts and Directors' Report for the period ended 31 December 2023.

Resolutions 2-3

Each of the Company's Directors listed in this resolution offer themselves up for re-appointment under the terms of the Company's articles of association which state that each director must offer himself or herself up for re-appointment every three years.

Resolution 4

The Auditors are required to be re-appointed at each Annual General Meeting at which the Company's Audited Accounts are presented.

Resolution 5

Under the Act, the Directors may only allot shares if authorised to do so. Whilst the current authority has not yet expired, it is customary to grant a new authority at each Annual General Meeting. Accordingly, this resolution will be proposed as an ordinary resolution to grant a new authority to allot or grant rights over up to £20,277.78 in nominal value of the Company's unissued share capital. If given, this authority will expire at the Company's next annual general meeting following the date of the resolution. Although the Directors currently have no present intention of exercising this authority, passing this resolution will allow the Directors flexibility to act in the best interests of the Company's shareholders when opportunities arise.

Resolution 6

The Directors require additional authority from the Company's shareholders to allot shares where they propose to do so for cash and otherwise than to the Company's shareholders pro rata to their holdings. This resolution will give the Directors power to issue new ordinary shares for cash other than to the Company's shareholders on a pro rata basis

(i) by way of a rights or similar issue or

(ii) with a nominal value of up to £18,250. This resolution will be proposed as a special resolution.