OptiBiotix®
HEALTH PLC

BETTER SCIENCE, BETTER HEALTH

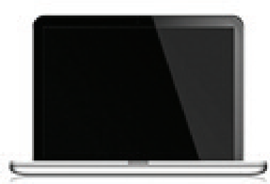
OptiBiotix Health Plc

(Formerly Ducat Ventures Plc)

ANNUAL REPORT AND ACCOUNTS TO 30 NOVEMBER 2014

Developing a range of products to modify the human microbiome and improve human health

OptiBiotix Health Plc is a life sciences company operating in one of the most progressive areas of biotechnological research – the modulation of the Human Microbiome.



for more information
www.optibiotix.com

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Company information

Directors:	S P O'Hara J Laird D E Evans A Reynolds M Wyatt G Barker
Secretary:	International Registrars Limited
Registered number:	05880755 (England & Wales)
Registered office:	Innovation Centre Innovation Way York YO10 5DG
Auditors:	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Nominated adviser:	Cairn Financial Advisers LLP
Brokers:	Peterhouse Corporate Finance Limited Hybridan LLP
Website Address:	www.optibiotix.com

Market Context

OptiBiotix Health is developing a range of compounds which modify the human microbiome (the collective genome of the microbes in the body), to prevent and manage human disease. This targets a global market of strategic interest to pharma, food, health, and wellbeing companies, which is forecast to become one of the world's fastest growth areas.

This is a substantial opportunity in an emerging market fashioned by new research into the human microbiome which has created a unique window of opportunity for compounds which can modify the human microbiome and bring specific health benefits.

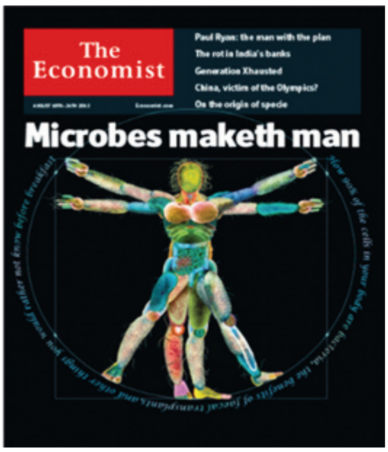
OptiBiotix products are targeted at improving the health and wellbeing of consumers and supporting the prevention and management of disease. Early products are targeted at chronic lifestyle diseases (hypercholesterolemia, obesity and diabetes). These markets have enormous potential driven by macro environmental factors, including an ageing population, rising medical costs, a public health policy shift towards disease prevention and consumer trends towards healthier lifestyles, better nutrition and self help.

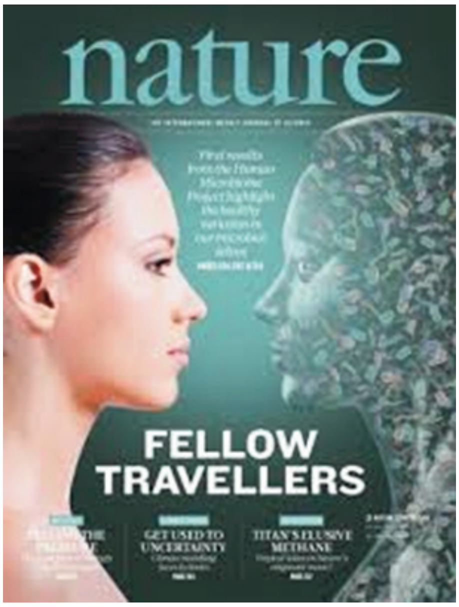
OptiBiotix is at the leading edge of this immature but evolving field and is well positioned to exploit increasing public, political and investor interest.

Increasing Public Profile

Increasing scientific recognition of the role of the Human Microbiome in health and the potential to develop products to modify the human microbiome for the prevention, management, and treatment of human disease has fuelled interest in this field.

Awareness of the microbiome has increased rapidly with high profile TV and radio programs (e.g Mark Porter Radio 4, 18 March 2015) and publications in scientific and business journals. These include Nature the Economist, Fortune, and Wall Street Journal.

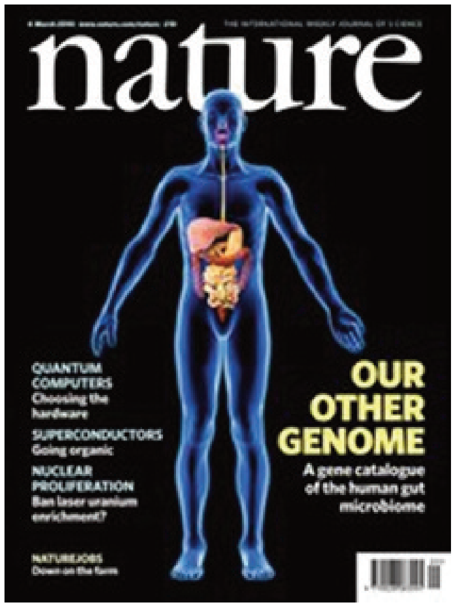




2015 WILL BE THE YEAR OF THE MICROBIOME

BETTER SCIENCE

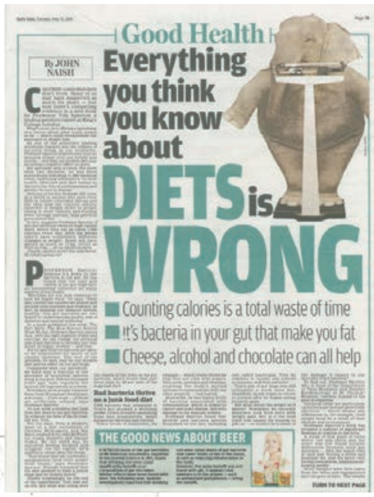
BETTER HEALTH

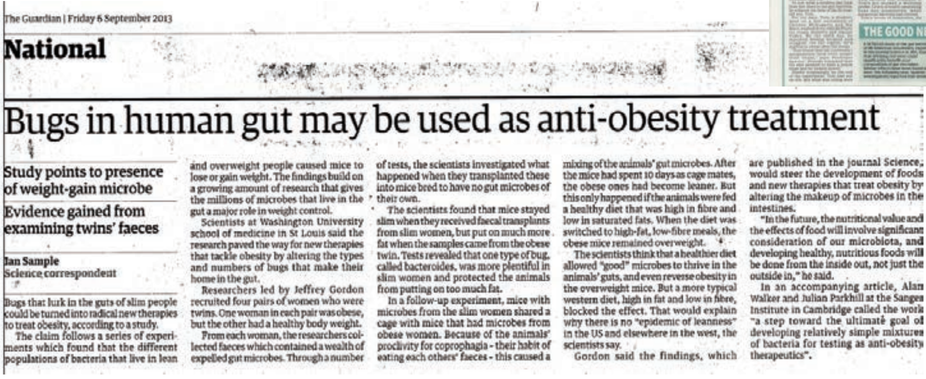


Increasing Consumer Understanding

As a consequence, public knowledge and awareness of the role of how bacteria impact positively on health has grown, with an increasing frequency and profile of the publications in mainstream media.

OptiBiotix anticipates an increasing number of academic publications in the next 12 months of its own research and other research groups. With increasing scientific corroboration of the role of the human microbiome in health, OptiBiotix believes this sector will continue to attract news interest which will increase investor awareness and understanding.





The Guardian | Friday 6 September 2013

National

Bugs in human gut may be used as anti-obesity treatment

Study points to presence of weight-gain microbe

Evidence gained from examining twins' faeces

Ian Sample
Science correspondent

Bugs that lurk in the guts of slim people could be turned into radical new therapies to treat obesity, according to a study.

The claim follows a series of experiments which found that the different populations of bacteria that live in lean and overweight people caused mice to lose or gain weight. The findings build on a growing amount of research that gives the millions of microbes that live in the gut a major role in weight control.

Scientists at Washington University school of medicine in St Louis said the research paved the way for new therapies that tackle obesity by altering the types and numbers of bugs that make their home in the gut.

Researchers led by Jeffrey Gordon recruited four pairs of women who were twins. One woman in each pair was obese, but the other had a healthy body weight.

From each woman, the researchers collected faeces which contained a wealth of expelled gut microbes. Through a number of tests, the scientists investigated what happened when they transplanted these into mice bred to have no gut microbes of their own.

The scientists found that mice stayed slim when they received faecal transplants from slim women, but put on much more fat when the samples came from the obese twin. Tests revealed that one type of bug, called bacteroides, was more plentiful in slim women and protected the animals from putting on too much fat.

In a follow-up experiment, mice with microbes from the slim women shared a cage with mice that had microbes from obese women. Because of the animals' proclivity for coprophagia - their habit of eating each others' faeces - this caused a mixing of the animals' gut microbes. After the mice had spent 10 days as cage mates, the obese ones had become leaner. But this only happened if the animals were fed a healthy diet that was high in fibre and low in saturated fats. When the diet was switched to high-fat, low-fibre meals, the obese mice remained overweight.

The scientists think that a healthier diet allowed "good" microbes to thrive in the animals' guts, and even reverse obesity in the overweight mice. But a more typical western diet, high in fat and low in fibre, blocked the effect. That would explain why there is no "epidemic of leanness" in the US and elsewhere in the west, the scientists say.

Gordon said the findings, which are published in the journal Science, would steer the development of foods and new therapies that treat obesity by altering the makeup of microbes in the intestines.

"In the future, the nutritional value and the effects of food will involve significant consideration of our microbiota, and developing healthy, nutritious foods will be done from the inside out, not just the outside in," he said.

In an accompanying article, Alan Walker and Julian Parkhill at the Sanger Institute in Cambridge called the work "a step toward the ultimate goal of developing relatively simple mixtures of bacteria for testing as anti-obesity therapeutics".

Chairman's and Chief Executive Statement

For the year ended 30 November 2014

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; and
- Partnering with food, health and well being 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, created by world experts in satiation (the feeling of fullness), metabolism and how microbes harvest energy in the gut, whilst 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.

Chairman's Statement and Chief Executive (continued)

For the year ended 30 November 2014

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.

D Evans and S P O'Hara
28 May 2015

Strategic Report

For the year ended 30 November 2014

REVIEW OF BUSINESS

A review of the business of the Group, together with comments on future developments is given in the Chairman's Statement on pages 4 to 5.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

Technology and products

The Group is involved in microbiome modulation products discovery and development. The development and commercialisation of its intellectual property and future products will require human nutritional studies and there is a risk that products may not perform as expected. This risk is common to all new products developed for human consumption.

Technologies used within the food, beverage and healthcare market place are constantly evolving and improving. There is a risk that the Group's products may become outdated or their commercial value decrease as improvements in technology are made and competitors launch competing products. To mitigate this risk the Group is working with industry key opinion leaders, will attend international conferences and is developing a research and development department which will keep up with the latest developments in the industry.

Intellectual Property

The Group is focused on protecting its intellectual property ("IP") and seeking to avoid infringing on third parties' IP. To protect its products, the Group is building and securing patents to protect its key products. However, there remains the risk that the Group may face opposition from third parties to patents that it seeks to have granted and that the outstanding patent applications are not granted. The Group engages legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Group's IP.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Directors constantly monitor the financial risks and uncertainties facing the Group with particular reference to the exposure of credit risk and liquidity risk. They are confident that suitable policies are in place and that all material financial risks have been considered. The financial risk management objectives and policies can be found within note 21 of the financial statements.

KEY PERFORMANCE INDICATORS

The key performance indicators currently used by the Group are administrative expenses and cash resources as detailed on the Statement of Comprehensive Income and Statement of Financial Position and analysed in the Chairman's Statement. The Group intends to establish other key performance indicators in due course once it has matured sufficiently. The Group does not use and does not at present intend to use non-financial key performance indicators.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2014.

FUTURE DEVELOPMENTS

The Chairman's Statement on page 4 gives information on the future outlook of the Group.

ON BEHALF OF THE BOARD

S P O'Hara
28 May 2015

Directors' Report

For the year ended 30 November 2014

The Directors present their report and the audited financial statements of the Group for the year to 30 November 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was initially that of an investment holding company. The company changed its name from Ducat Ventures Plc on 4 August 2014.

Upon acquiring a subsidiary, the principal activity of the Group became that of research and development into microbiome modulators.

DIRECTORS

The Directors who served the company during the year and up to the date of this report were as follows:

Executive Directors

S P O'Hara (Appointed 5 August 2014)
J Laird (appointed 30 March 2015)

Non-executive Directors

A Reynolds
N C P Nelson (Resigned 5 August 2014)
D E Evans (Appointed 5 August 2014)
M Wyatt (Appointed 5 August 2014)
G Barker (appointed 25 November 2014)

Directors' Remuneration

The Directors are entitled to receive relevant fees, as detailed in the Directors' remuneration in Note 4.

Directors and their interests

The Directors of the Group held the following beneficial interests in the shares and share options of OptiBiotix Health Plc at 30 November 2014 and at the date of this report:

	Issued Share Capital		Share Warrants		Share Options	
	Ordinary shares of £0.02 each	Percentage Held	Ordinary shares of £0.02 each	Warrant exercise price	Ordinary shares of £0.02 each	Warrant exercise price
A Reynolds	625,000	0.86%	312,500	£0.08	–	–
D E Evans	3,452,066	4.8%	–	–	2,511,408	£0.08
S P O'Hara	10,049,696	13.90%	–	–	6,099,135	£0.08
M Wyatt	–	–	–	–	–	–

The share warrants held by A Reynolds were granted on 18 November 2013 and are exercisable at £0.08 at any time up to 17 November 2016.

The share options held by D E Evans and S P O'Hara were granted on 17 September 2014 and are exercisable at £0.08 at any time up 16 September 2024.

SUBSTANTIAL SHAREHOLDINGS

Substantial shareholdings include Directors as at 21 May 2015 were as follows:

	% of shares issued
Finance Yorkshire Seedcorn LP	19.09
Steven O'Hara	13.70
WCS Nominees Limited	8.52
Lynchwood Nominees Limited	5.90
Redmayne (Nominees) Limited	4.71
Barclayshare Nominees Limited	3.34

FINANCIAL INSTRUMENTS

The Group's exposure to financial risk is set out in note 21 to the accounts.

RESEARCH AND DEVELOPMENT

The Chairman's Statement on page 4 gives information on the Group's research and development activities.

EVENTS AFTER THE REPORTING PERIOD

Refer to note 22 to the financial statements for further details.

PUBLICATION OF ACCOUNTS ON GROUP WEBSITE

Financial statements are published on the Group's website. The maintenance and integrity of the website is the responsibility of the Directors. The Directors' responsibilities also extend to the financial statements contained therein.

Directors' Report (continued)

For the year ended 30 November 2014

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 this report and are satisfied that the Group should be able to cover its quoted maintenance cost, other administrative expenses, as well as its ongoing research and development expenditure.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have, as required by the AIM Rules for Companies of the London Stock Exchange, elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of the information.

AUDITOR

Jeffreys Henry LLP will be proposed for re-appointment as auditors at the forthcoming Annual General Meeting.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 the Group chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Group in the Strategic Report on page 6.

ON BEHALF OF THE BOARD

S P O'Hara
28 May 2015

Independent Auditor's Report to The Members of OptiBiotix Health Plc For the year ended 30 November 2014

We have audited the financial statements of OptiBiotix Health Plc for the year ended 30 November 2014, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards to the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's report, Strategic report and Directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

– the financial statements give a true and fair view of the state of the Group's and parent company's affairs as at 30 November 2014 and of the Group's loss for the year then ended.

– the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

– the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provision of the Companies Act 2006; and

– the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors and Strategic Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

– adequate accounting records have not been kept by the Group, or returns adequate for our audit have not been received from branches not visited by us; or

– the Group financial statements are not in agreement with the accounting records and returns; or

– certain disclosures of Directors' remuneration specified by law are not made; or

– we have not received all the information and explanations we require for our audit.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London
EC1V 9EE

28 May 2015

Consolidated Statement of Comprehensive Income

For the year ended 30 November 2014

	Notes	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Administrative expenses	6	(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	6	–	63,657
Admission expenses	6	(365,038)	–
		(854,053)	(2,172,074)
Finance income/(costs)	5	93	(4,000)
Loss before Income tax	6	(853,960)	(2,176,074)
Income tax	7	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	8	3.03p	463.82p

The notes on pages 19 to 37 form part of these financial statements

Consolidated Statement of Financial Position

For the year ended 30 November 2014

	Notes	As at 30 November 2014 £	As at 30 November 2013 £
ASSETS			
Non-current assets			
Intangibles	10	2,259,369	–
Property, plant & equipment	11	855	–
		2,260,224	–
CURRENT ASSETS			
Trade and other receivables	13	4,651	301,267
Current tax asset	7	43,254	–
Cash and cash equivalents	14	2,870,442	150
		2,918,347	301,417
TOTAL ASSETS		5,178,571	301,417
EQUITY			
Shareholders' Equity			
Called up share capital	15	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		4,649,084	95,952
LIABILITIES			
Current liabilities			
Trade and other payables	16	77,613	185,835
		77,613	185,836
Non-current liabilities			
Deferred tax liability	17	451,874	–
Contingent consideration		–	19,930
		451,874	19,930
TOTAL LIABILITITES		529,487	205,465
TOTAL EQUITY AND LIABILITIES		5,178,571	301,417

These financial statements were approved and authorised for issue by the Board of Directors on 28 May 2015 and were signed on its behalf by:

S P O'Hara
Director

Company Registration no. 05880755

The notes on pages 19 to 37 form part of these financial statements

Consolidated Statement of Changes in Equity

For the year ended 30 November 2014

	Called up Share capital £	Accumu-lated 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.

The notes on pages 19 to 37 form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 30 November 2014

	Notes	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Cash flows from operating activities			
Cash generated from operations	1	(706,336)	(498,385)
Interest paid		–	(4,000)
Interest received		93	–
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	12	251,834	–
Net cash inflow from investing activities		250,735	502,526
Cash flows from financing activities			
Share issues		3,300,068	502,526
Net cash inflow from financing activities		3,300,068	502,526
Taxation		25,732	–
Increase in cash and equivalents		2,870,292	141
Cash and cash equivalents at beginning of year		150	9
Cash and cash equivalents at end of year	14	2,870,442	150

The notes on pages 19 to 37 form part of these financial statements

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	–
Net cash outflow from operations	(706,336)	(498,385)

2. Cash and Cash Equivalents

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

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.

The notes on pages 19 to 37 form part of these financial statements

Company Statement of Financial Position

For the year ended 30 November 2014

	Notes	As at 30 November 2014 £	As at 30 November 2013 £
ASSETS			
Non-current assets			
Investments	12	2,000,000	–
		2,000,000	–
CURRENT ASSETS			
Trade and other receivables	13	131,107	301,267
Cash and cash equivalents	14	2,690,375	150
		2,821,482	301,417
TOTAL ASSETS		4,821,482	301,417
EQUITY			
Shareholders' Equity			
Called up share capital	15	7,078,346	5,722,248
Share premium		3,746,781	1,302,811
Merger relief reserve		1,500,000	–
Share based payment reserve		90,970	27,200
Accumulated deficit		(7,631,532)	(6,956,307)
Total Equity		4,784,565	95,952
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	36,917	205,465
TOTAL LIABILITITES		36,917	205,465
TOTAL EQUITY AND LIABILITIES		4,821,482	301,417

The notes on pages 19 to 37 form part of these financial statements

These financial statements were approved and authorised for issue by the Board of Directors on 28 May 2015 and were signed on its behalf by:

S P O'Hara
Director

Company Registration no. 05880755

Company Statement of Changes in Equity

For the year ended 30 November 2014

	Called up Share capital £	Accumu-lated 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	–	(675,225)	–	–	–	(675,225)
Issue of consideration shares to acquire subsidiary	500,000	–	–	1,500,000	–	2,000,000
Issues of shares during the year	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**	**(7,631,532)**	**3,746,781**	**1,500,000**	**90,970**	**4,784,565**

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 company attributable to the owners of the company.

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

The notes on pages 19 to 37 form part of these financial statements

Company Statement of Cash Flows

For the year ended 30 November 2014

	Notes	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Cash flows from operating activities			
Cash generated from operations	1	(609,908)	(498,385)
Interest paid		–	(4,000)
Interest received		65	–
Net cash outflow from operating activities		(609,843)	(502,385)
Cash flows from investing activities			
Investment in subsidiary		–	–
		–	–
Cash flows from financing activities			
Share issues		3,300,068	502,526
Net cash inflow from financing activities		3,300,068	502,526
Increase/(decrease) in cash and equivalents		2,690,225	141
Cash and cash equivalents at beginning of year		150	9
Cash and cash equivalents at end of year	14	2,690,375	150

The notes on pages 19 to 37 form part of these financial statements

Notes to the Company Statement of Cash Flows

For the year ended 30 November 2014

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

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Operating loss	(675,290)	(341,466)
Decrease/(increase) in trade and other receivables	170,160	(437,558)
(Decrease)/increase in trade and other payables	(168,548)	280,639
Share Option expense	63,770	–
Net cash outflow from operations	(609,908)	(498,385)

2. Cash and Cash Equivalents

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Cash and cash equivalents	2,690,375	150

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.

The notes on pages 19 to 37 form part of these financial statements

Notes to the Financial Statements

For the year ended 30 November 2014

1. General Information

OptiBiotix Health Plc is a company 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 in York. The company is listed on the AIM market of the London Stock Exchange (ticker: OPTI).

On 18 November 2013 the company disposed of its subsidiaries and the principal activity of the company was that of a holding company.

The company changed its name from Ducat Ventures Plc on 4 August 2014.

On 5 August 2014 the company acquired OptiBiotix Limited and the principal activity of the Group became that of research and development into microbiome modulators.

2. Accounting Policies

Statement of compliance

The consolidated financial statements of OptiBiotix Health Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period under review.

Going concern

The financial statements have been prepared on the assumption that the company 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 this report and are satisfied that the Group should be able to cover its quoted maintenance costs, other administrative expenses and its ongoing research and development expenditure.

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.

New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Group.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

New Standards, amendments and interpretations issued but not effective

Reference	Title	Summary	Application date of standard	Application date of Company
Amendments to IFRS 2, IFRS 3	Amendments resulting from Annual Improvements 2010-12 Cycle	IFRS 2: clarifies definition of vesting conditions IFRS 3: clarifies contingent consideration in a business combination	1 July 2014	1 December 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Clarifies that the treatment of contributions when they are independent of the number of years of service	Periods commencing on or after 1 July 2014	1 December 2014
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015	1 December 2015
IAS 36	Impairment of assets	Limited scope amendments to disclosure requirements	Periods commencing on or after 1 January 2014	1 December 2014
IAS 39	Hedge accounting and novation of derivatives	Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria	Periods commencing on or after 1 January 2014	1 December 2014
IFRIS 21	Accounting for levies imposed by governments	Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy	Periods commencing on or after 1 January 2014	1 December 2014
IFRS 10, IFRS 12, IAS 27	Exception from consolidation for "investment entities"	Amendments have been made to define an "investment entity" and to introduce an exception from consolidation and the required disclosures	Periods commencing on or after 1 January 2014	1 December 2014
IAS 32	Financial instruments: Presentation	Clarifies the requirements for offsetting of financial assets and financial liabilities	Periods commencing on or after 1 January 2014	1 December 2014
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	Periods commencing on or after 1 January 2016	1 December 2016
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures	Periods commencing on or after 1 January 2017	1 December 2017
IFRIC 21	Levies	Provides guidance on when to recognise a liability for government levies	Periods commencing on or after 1 January 2014	1 December 2014

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

New Standards, amendments and interpretations issued but not effective (continued)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group. The Group does not intend to apply any of these pronouncements early.

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 30th November each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

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 IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

Business combinations (continued)

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

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.

Investments

Investments in subsidiaries are held at cost less any impairment.

Financial instruments

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

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to the initial recognition, trade and receivables and measured at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

Trade and other receivables (continued)

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

Cash and cash equivalents

Cash and cash equivalents comprised of cash at bank and in hand.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the company at the statement of financial position date approximated their fair values, due to relatively short term nature of these financial instruments

Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated in amortised cost, except where the payables are interest free loans made by related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

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.

Capital management

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

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the year ended 30 November 2014.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

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.

Property, plant and equipment

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

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

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

Computer equipment	30%

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

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

Intangibles – Patents

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.

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 period during which the company is expected to benefit.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

2. Accounting Policies (continued)

Merger relief reserve

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

Critical accounting judgments and key sources of estimation uncertainty

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

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

- Share based payments

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

3. Segmental Reporting

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

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

4. Employees and Directors

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Wages and salaries	35,679	162,000
Directors fees	130,785	–
Social security costs	4,034	–
	170,498	162,000

	Year ended 30 November 2014 No.	Sixteen months ended 30 November 2013 No.
The average monthly number of employees during the year was as follows:		
Directors	4	3

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Directors' remuneration	166,464	162,000
Directors share based payments	49,053	–
Total emoluments	215.517	162,000

Directors' remuneration

Details of emoluments received by Directors of the Group for the year ended 30 November 2014 are as follows:

	Remuneration £	Share based payments £	Total £
A Reynolds	64,333	–	64,333
S P O'Hara	35,679	34,746	70,425
M Wyatt*	–	–	–
D E Evans	40,000	14,307	54,307
N C P Nelson	26,452	–	26,452
Total	**166,464**	**49,053**	**215,517**

* For disclosure in relation to Mark Wyatt's fees please refer to note 18.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

5. Net Finance Income/(Costs)

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Finance Income:		
Bank Interest	93	–
Finance Costs:		
Bank loan interest	–	(4,000)
Net Finance Income/(Costs)	93	(4,000)

6. Expenses – analysis by nature

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Research and development	56,733	–
Directors' emoluments (Note 4)	166,464	162,000
Auditor remuneration - audit fees (Company only £15,000 (2013: £8,000))	14,630	8,000
Auditor remuneration – non audit fees	500	–
Share based payments charge	63,770	–
Depreciation on property, plant and equipment	244	–
Foreign exchange differences	7	–
Other expenses	186,667	171,466
Administrative expenses	489,015	341,466
AIM Admission expenses	365,038	–
Total administrative expenses	854,053	341,466

The surplus arising on settlements with trade creditors relates to the write-off of part of the balances due to certain creditors in 2013 as agreed with them.

Admission costs relate to the admission to Aim in August 2014.

Included within the admission expenses are one-off non-audit fees of £53,400 (2013 – £nil) in relation to the admission to AIM.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

7. Income Tax

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2014 nor for the year ended 30 November 2013.

	Year ended 30 November 2014 £	Sixteen months ended 30 November 2013 £
Loss on ordinary activities before income tax	(853,960)	(2,166,074)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 20% (2013 – 20%)	(170,792)	(433,215)
Effects of:		
Disallowables	73,008	–
Impairment of intercompany loans	–	278,873
Losses on disposal of investments	–	100,000
Effect of research & development tax credit	(43,254)	–
Capital allowances	220	–
Unused tax losses carried forward	97,564	54,342
Tax expense	(43,254)	–

The Group has estimated losses of £151,860 (2013: £114,677) and estimated excess management expenses of £1,143,854 (2013: £851,559).

The tax losses have resulted in a deferred tax asset of approximately £259,143 (2013: £193,247) which has not been recognized as it is uncertain whether future taxable profits will be sufficient to utilize the losses.

Current tax asset – Group	2014 £	2013 £
Research & development tax credit claimed	43,254	–

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

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:

	Earnings £	2014 Weighted average Number of shares £	Loss per-share 30 November 2013 Pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(810,706)	26,751,262	3.03

	Earnings £	2013 Weighted average Number of shares £	Loss per-share 30 November 2013 Pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(2,176,074)	469,161	463.82

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 4,579,560 outstanding share options and 8,632,843 outstanding share warrants, both are potentially dilutive.

9. Company's result for the year

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The result for the parent Company for the year was £675,225 (2013: £2,176,074).

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

10. Intangible assets

Group	£
Cost	
At 1 August 2012 & 1 December 2013	–
Acquisitions through business combinations	2,259,369
At 30 November 2014	**2,259,369**
Carrying amount	
At 30 November 2014	**2,259,369**
At 30 November 2013	–

The above additions represent the fair value of patents on acquisition of the company's subsidiary undertaking, OptiBiotix Limited.

No amortisation has been charged during the period as the patents had been applied for and were not in use during the period. Once they are in use they will be amortised over 10 years.

Name of company	Principal activities	Country of incorporation and place of business	Proportion of equity interest
OptiBiotix Limited	Research & Development	United Kingdom	100% of ordinary shares

11. Property, plant and equipment

Group	£
Cost	
At 1 August 2012 & 1 December 2013	–
Additions	1,099
At 30 November 2014	**1,099**
Depreciation	
At 1 August 2012 & 1 December 2013	–
Additions	244
At 30 November 2014	**244**
Carrying amount	
At 30 November 2014	**855**
At 30 November 2013	–

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

12. Investment in subsidiary undertakings

Company	£
Cost	
At 1 August 2012	4,216,000
Disposals	(4,216,000)
At 30 November 2013	–
Additions	2,000,000
At 30 November 2014	**2,000,000**
Impairment	
At 1 August 2012	3,717,000
Disposals	(3,717,000)
At 30 November 2013 & 2014	–
Carrying amount	
At 30 November 2014	**2,000,000**
At 30 November 2013	–

As at 30 November 2014, the company directly held the following subsidiary:

Name of company	Principal activities	Country of incorporation and place of business	Proportion of equity interest 2014
OptiBiotix Limited	Research & Development	United Kingdom	100% of ordinary shares

On 5 August 2014, the company acquired the entire share capital of OptiBiotix Limited whose principal activity is research and development into pre, pro and synbiotics. The principal reason for this acquisition was that OptiBiotix Limited had been assessed as having significant potential to increase shareholder value.

OptiBiotix Limited has not generated any revenue for the Group since the acquisition date. Its loss of £135,484 since its acquisition has been included in the consolidated loss for the year. If OptiBiotix Limited had been acquired as at the start of the current year the loss for the Group would have been £851,439.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

12. Investment in subsidiary undertakings (continued)

Details of the price and consideration are as set out below:

	£
25,000,000 ordinary shares of 2p issued at 8p per share	2,000,000

Details of the fair value of identifiable assets and liabilities acquired and goodwill are as follows:

	Book Value £	Adjustment £	Fair value £
Patents	–	2,259,369	2,259,369
Other receivables	25,732	–	25,732
Cash	251,834	–	251,834
Other payables	(85,061)	–	(85,061)
Deferred tax liability	–	(451,874)	(451,874)
Total net assets	192,505	1,807,495	2,000,000
Goodwill			–

13. Trade and other Receivables

	Group		Company	
Current	2014	2013	2014 £	2013 £
Amounts owed by Group undertakings	–	–	131,107	–
Other receivables	3,304	285,835	–	285,835
Prepayments and accrued income	1,347	15,432	–	15,432
	4,651	301,267	131,107	301,267

14. Cash and Cash Equivalents

	Group		Company	
Current	2014	2013	2014 £	2013 £
Cash and bank balances	2,870,442	150	2,690,375	150

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

15. Called Up Share Capital

Issued share capital comprises:	2014 £	2013 £
Ordinary shares of 0.01p - 895,237,295	–	89,524
Ordinary shares of 2p each – 72,281,082	1,445,622	–
Deferred shares of 19p each - 26,001,739	4,940,330	4,940,330
Deferred shares of 0.9p - 63,373,961	570,366	570,366
Deferred shares of 0.09p – 135,587,295	122,028	122,028
	7,078,346	5,722,248

On 17 February 2014 203,380,942 ordinary shares of £0.0001 each were issued at £0.0004 each for cash.

On 18 June 2014 2,288,482 ordinary shares of £0.0001 each were issued at £0.0004 each for cash.

On 17 July 2014 81 ordinary shares of £0.0001 each were issued at £0.0001 each for cash.

On 4 August 2014, the issued ordinary shares of £0.0001 each were reorganised in to 5,504,534 ordinary shares of £0.02 each.

On the same date 41,250,000 new ordinary shares of £0.02 each were issued at £0.08 each for cash and a further 25,000,000 ordinary shares of £0.02 each were issued at a price of £0.08 each as consideration to acquire OptiBiotix Limited.

On 1 October 2014, 14 November 2014 and 27 November 2014 the company issued and allotted 270,850, 243,198 and 12,000 ordinary shares of £0.02 each respectively, exercised at a price of £0.08 per share in the capital of the company following the exercise of warrants.

The ordinary shares are non-redeemable and provide holders with one vote per share on a vote at a company meeting. They also provide one equal right per share in any ordinary dividend declared and one equal right per share in the distribution of any surplus due to the ordinary shareholders on a winding up.

The deferred shares are non-redeemable, non-voting and the holders are not entitled to dividends or to participate in profits. After the holders of ordinary shares have received the aggregate amount paid up thereon plus £30 million per such share, there shall be distributed amongst the holders of the deferred shares an amount equal to the nominal value of the deferred shares.

16. Trade and other payables

	Group		Company	
Current	2014 £	2013 £	2014 £	2013 £
Trade payables	–	122,042	–	122,042
Accrued expenses	77,424	19,770	–	19,770
Other payables	–	23,793	36,917	23,793
Contingent consideration	–	19,930	–	19,930
Amount due to Director	189	–	–	–
	77,613	185,535	36,917	185,535
Non-current:				
Contingent consideration	–	19,930	–	19,930
Total trade and other payables	77,613	205,465	36,917	205,465

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

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 20% (2013:20%)

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

	2014 £	2013 £
At 1 December	–	–
Arising on business combination	451,874	–
	451,874	–

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered.

18. Related Party Disclosures

Directors and shareholders of the Group

During the year to 30 November 2014, the company was charged £64,333 for services provided by Reyco Limited, a company controlled by A Reynolds.

During the year to 30 November 2014, the company was charged £26,452 for services provided by Nexfin a company controlled by N Nelson.

During the year to 30 November 2014, the group was charged £6,600 in relation to Mark Wyatt's directors fee by Enterprise Venture Limited.

At the year end, the Group owed £189 (2013: £nil) to SP O'Hara for expenses incurred on behalf of the Group.

19. Ultimate Controlling Party

No one shareholder has control of the company.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

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 of the former subsidiaries.

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

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

Number of outstanding share options as at 30 November 2014:

	Number of options		Average exercise price	
	2014 No.	2013 No.	2014 £	2013 £
Outstanding at the beginning of the period	3,820,026	3,820,026	0.03	0.03
Effects of reorganisation*	(3,800,926)	–	0.03	–
Granted during the year	8,610,543	–	0.08	–
Forfeited/cancelled during the year	(1,950)	–	44.28	–
Outstanding at the end of the period	8,627,693	3,820,026	0.08	0.03

*After the share consolidation on 4 August 2014.

For the share options issued in the year vesting conditions dictate that half will vest if the middle market quotation of an existing Ordinary share is 16p or more on each day during any period of at least 30 consecutive Dealing days and half will vest when a commercial contract is signed. The two conditions are not dependent on each other and will vest separately.

The share options outstanding at the period end had a weighted average remaining contractual life of 3,578 days (2013 – 1,639 days) and the maximum term is 10 years.

The fair value of the share options issued in the current period on 17 September 2014 with an exercise price of 8p is 2.73p and was derived using the Black Scholes model. The following assumptions were used in the calculations:

Share price at grant date	8p
Risk-free rate	0.25%
Volatility	35%
Expected life	10 years

Expected volatility is based on a conservative 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.

(ii) Warrants

On 20 February 2014, an open offer was made to the potential investors to subscribe for 203,380,942 new ordinary shares of £0.0001 each at £0.0001 each. On a 1:1 basis, warrants attach to any shares issued under the open offer convertible at any time to 30 November 2016 at £0.0004 per shares.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

20. Share Based payment Transactions (continued)

(ii) Warrants (continued)

On 4 August 2014, the warrants in issue were consolidated in the ratio of 200:1 as part of the share reorganisation.

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

	Number of warrants		Average exercise price	
	2014	2013	2014	2013
	No.	No.	£	£
Outstanding at the beginning of the period	713,010,000	510,000	0.08	0.2000
Effects of reorganisation*	(709,450,064)	–	0.08	–
Granted during the year	1,555,064	712,500,000	0.08	0.0004
Forfeited/cancelled during the year	2,550	–	0.08	–
Exchanged for shares	(537,990)	–	0.08	–
Outstanding at the end of the period	4,579,560	713,010,000	0.08	0.0004

*After the share consolidation on 4 August 2014.

The fair value of the share options issued in the current period on 5 August 2014 with an exercise price of 8p is 2.73p and was derived using the Black Scholes model. The following assumptions were used in the calculations:

Share price at grant date	8p
Risk-free rate	0.25%
Volatility	35%
Expected life	10 years

A charge of £63,770 (2013: £nil) has been recognised during the year for the share based payments over the vesting period.

21. 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, capital risk and foreign currency 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

The Group is not exposed to significant credit risk as it did not make any credit sales during the year.

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.

Notes to the Financial Statements (continued)

For the year ended 30 November 2014

21. Financial Risk Management Objectives and Policies (continued)

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

On 9 January 2015 the company issued and allotted 125,000 ordinary shares of 2 pence each exercised at a price of 8 pence per share in the capital of the Company following the exercise of warrants.

On 20 January 2015 the company issued and allotted 24,315 ordinary shares of 2 pence each exercised at a price of 8 pence per share in the capital of the Company following the exercise of warrants.

On 20 March 2015 the company issued and allotted 441,807 ordinary shares of 2 pence each exercised at a price of 8 pence per share in the capital of the Company following the exercise of warrants.

On 31 March 2015 the company granted options to subscribe for in aggregate 1,717,544 ordinary shares of 2 pence each to two directors and an employee pursuant to the terms of the company share option scheme. All of these options vest upon certain performance criteria being met and lapse on the tenth anniversary of the agreements.

On 20 April 2015 the company issued and allotted 479,787 ordinary shares of 2 pence each exercised at a price of 8 pence per share in the capital of the Company following the exercise of warrants.

On 26 May 2015 the company issued and allotted 25,941 ordinary shares of 2 pence each exercised at a price of 8 pence per share in the capital of the Company following the exercise of warrants.

Notice of Annual General Meeting

OPTIBIOTIX HEALTH Plc

Notice is hereby given that the Annual General Meeting of OptiBiotix Health Plc (the "Company") will be held at the offices of Enterprise Ventures Limited, 73/79 King Street Manchester M2 4NG at 11.00 a.m. on 11 August 2015 for the following purposes:

1. To receive the Company's Report and Accounts for the year ended 30 November 2015.
2. To re-elect David Evans, who retires by rotation, as a Director.
3. To re-elect Stephen O'Hara, who retires by rotation, as a Director.
4. To re-elect Mark Wyatt, who retires by rotation, as a Director.
5. To re-elect Gareth Barker, who retires by rotation, as a Director.
6. To re-elect Jim Laird, who retires by rotation, as a Director.
7. To re-appoint Jeffrey's Henry LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions as to the resolution numbered 4 as an Ordinary Resolution and as to the resolutions numbered 5 and 6 as Special Resolutions:

8. **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 £489,186.61 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 2016, 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.

9. **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 8 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 £440,267.90 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 2015, 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.

Notice of Annual General Meeting (continued)

OPTIBIOTIX HEALTH Plc

By Order of the Board

Stephen O'Hara

Registered Office:

Innovation Centre
Innovation Way
Heslington
York
YO10 5DG

28 May 2015

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. The appointment of a proxy does not preclude you from attending the meeting and voting in person. If you appoint a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. To be effective Forms of Proxy must be duly completed and returned so as to reach the Share Registrars Ltd, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL no later than 11.00 a.m. on 7 August 2015.
3. To be entitled to attend and 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 11.00 a.m. on 7 August 2015 ("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.

Explanatory Notes to the Notice of Annual General Meeting

Resolution 1

The Directors are required by law to present to the meeting the Audited Accounts and Directors' Report for the year ended 30 November 2014.

Resolutions 2 to 6 (inclusive)

Each of the Company's Directors listed in these resolutions was appointed by the Board after the last Annual General Meeting of the Company. Under the terms of the Company's Articles of Association any Director appointed as an additional Director after the last Annual General Meeting must resign at the next Annual General Meeting and may offer himself or herself for re-appointment. Each of the Directors of the Company listed in these resolutions is offering himself for re-appointment.

Resolution 7

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

Resolution 8

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 £489,186.61 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 9

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

(j) (ii) with a nominal value of up to £440,267.90. This resolution will be proposed as a special resolution.

Innovation Centre
Innovation Way
Heslington
York YO10 5DG
www.optibiotix.com