

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.*

11 December 2024

## Optima Health Plc

### Unaudited maiden interim results for the six months to 30 September 2024

Optima Health Plc (AIM: OPT), (together with its subsidiaries, the "Group"), the UK's leading provider of technology enabled corporate health and wellbeing solutions, announces its unaudited maiden results for the six-month period ended 30 September 2024.

#### Highlights (including post period end)

- Demerger of Optima Health from Marlowe plc and listing on AIM completed in September 2024
- Significant improvement in statutory operating profit when adjusted for one-off demerger costs of £2.8m (HY25: £2.4m, HY24: (£0.1m))
- Integration of acquired businesses completed in June 2024
- Restructuring and integration costs down from £4.4m to £1.1m, with no further integration related costs expected in the second half of FY25
- New business contract wins with annualised value of £3.6m in HY25, offsetting prior period contractions, to support future growth, and £3.1m annualised value signed or at preferred bidder stage post the period end
- Strong current new business pipeline of £11.5m annualised revenue<sup>[1]</sup>
- Group revenue of £50.8m (HY24: £56.8m), the decrease driven by the loss of a client alongside a further client reducing the required scope of the Group's services (as previously disclosed in the Company's AIM admission document) in the second half of FY24
- Adjusted EBITDA of £8.7m (HY24: £9.8m), consistent with revenue movement
- Net debt reduced from £36.4m to £3.6m following the demerger which reflects the £20.7m dividend paid to Marlowe plc offset by the release of intercompany loans transacted as part of the demerger in September 2024
- One acquisition in late-stage exclusivity with further opportunities under discussion
- Milestone of 10,000 patients reached in our pilot of our Digital Assessment Routing Tool (DART) Musculoskeletal triage software in the NHS

#### Financial Highlights

ADJUSTED RESULTS	HY25	HY24	Change
Revenue	£50.8m	£56.8m	(11%)
Adjusted EBITDA <sup>[2],[3]</sup>	£8.7m	£9.8m	(12%)
EBITDA margin <sup>2</sup>	17.1%	17.3%	(23 bps)
Operating profit <sup>2</sup>	£6.7m	£7.5m	(12%)
Profit before tax <sup>2</sup>	£6.6m	£7.5m	(13%)
Net debt (excluding lease liabilities)	(£0.6m)	(£34.0m)	(98%)
STATUTORY RESULTS	HY25	HY24	Change
Revenue	£50.8m	£56.8m	(11%)
EBITDA	£4.8m	£5.4m	(11%)
EBITDA margin	9.4%	9.5%	(8 bps)
Operating loss	(£0.4m)	(£0.1m)	(641%)
Loss before tax	(£0.5m)	(£0.1m)	(296%)
Net debt	(£3.6m)	(£36.4m)	(90%)

#### Summary and Outlook

Optima has completed the comprehensive integration of businesses acquired by the Group during the period to build a robust scalable platform with a diversified client base providing recurring revenue and opportunity for further growth. The Company remains focused on growing both revenue and EBITDA, with EBITDA margin improvements arising from synergies, good margins on new business opportunities and advancing the scope of customers/contracts.

The Group has delivered a robust financial performance with trading consistent with consensus market expectations. Alongside the potential expansion of existing contracts, the Company has a strong pipeline of potential new contacts, including those in active bidder status and those won but not yet implemented both of which will underpin a portion of year-on-year core revenue growth.

In addition to organic revenue growth, and in line with the Company's strategy, the Board believe there are significant opportunities to accelerate growth via further bolt-on acquisitions and continued consolidation in the market. The Board

opportunities to accelerate growth via further bolt-on acquisitions and continued consolidation in the market. The Board continues to evaluate opportunities and is in exclusive negotiations on one acquisition.

**Commenting on the maiden financial results, Jonathan Thomas, Chief Executive Officer, said:** "We are proud to report Optima Health's maiden interim results as a publicly listed company. The business delivered a robust performance in the period, completing the integration of recently acquired businesses, demerging from Marlowe plc and successfully listing on AIM whilst continuing to build the pipeline for future growth. I am very thankful to our team who have delivered these significant undertakings, giving me great confidence that the business can now proceed to deliver its strategic objectives.

"As the UK's leading provider of occupational health and wellbeing solutions, Optima's primary focus is on organic growth in its core market. Alongside this, we will continue to deliver targeted M&A to accelerate growth, whilst pursuing opportunities to enter complementary adjacent markets and further improving the quality of margins. Underpinning all this is a large and growing market, and our dedicated employees, which will enable us to continue to win new business to expand our digitally-enabled, high quality offering."

## Briefing for Analysts Today

Optima's management team, led by Jonathan Thomas, Chief Executive Officer, and Heidi Giles, Chief Financial Officer, will be hosting a briefing and Q&A session for analysts at 11:00 GMT / 06:00 ET today, 11 December, at Members Hall, One Moorgate Place, London EC2R 6EA, United Kingdom.

A live webcast of the presentation will be available via this [link](#). The presentation will be available on Optima's website at [www.optimahealth.co.uk](http://www.optimahealth.co.uk)

If you would like to dial in to the call and ask a question during the live Q&A, please email [Optimahealth@icrhealthcare.com](mailto:Optimahealth@icrhealthcare.com)

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### About Optima Health

Optima Health is the UK's leading provider of occupational health and wellbeing services, directly influencing and improving people's lives for 25 years. Optima Health's incredible team of professionals quickly and effectively encapsulate client's needs, supporting organisations of all shapes and sizes. Through tailored solutions and innovative systems, Optima Health offers unparalleled clinical expertise to its clients. These solutions ensure that processes are simple and allow its clients to spend more time focusing on their employees driving a healthy, high-performing workplace. For more information visit [www.optimahealth.co.uk](http://www.optimahealth.co.uk)

## Business Review

### Strategic Progress

To further support Optima Health's strategic ambitions, the business was demerged from Marlowe plc and listed on AIM on 26 September 2024. The Board believes this will give the Group the opportunity to build and deliver significant value for our investors, employees and customers by allowing Optima Health the flexibility to explore and focus on strategies tailored to our market and expertise.

A key focus for the Company has been the comprehensive integration of all the acquired businesses within the group under the Optima Health brand, refreshed values, and operating model. This significant integration programme was completed in June 2024. This programme included all corporate functions, such as finance, HR, business development, and IT. Operational delivery models have also been successfully integrated with all customers and employees (clinical and operational) now using their targeted proprietary IT systems, with delivery being governed and audited using a best practise consistent approach. This programme was fundamental in creating a robust platform to underpin Optima Health's future growth ambition.

Clinical quality is fundamental to Optima Health's ongoing success. In June 2024 Optima Health undertook the renewal of its *Safe Effective Quality Occupational Health Service* (SEQOHS) accreditation as an integrated business for the first time.

The report summarised "Optima have an expert, knowledgeable, engaged team who are all committed to their roles. Expert leadership, knowledge, holistic approach and delivery is demonstrable within the evidence.

*Excellent clinical governance underpins all service delivery in collaboration with the governance compliance board. This governance framework is at the core of the transition project ensuring clinical excellence is maintained. The business offers a wide range of specialist services that enhances the core*

*OH services to ensure optimum service delivery, whilst maintaining excellent customer service. A truly innovative service who are forward thinking and strive to meet health needs whilst investing in the development of their staff.*

*Excellent standards and good practice are evident, and this has been acknowledged in the congratulatory outcomes."*

M&A is a key component of our growth strategy. The business currently has one acquisition in late-stage exclusivity and has several further opportunities currently under discussion.

### People

Optima Health values and recognises the commitment and hard work of all its people. It is a key component of our ambition to create a great place to work for our people and supporting a culture of healthy high performance to enable Optima Health to continue to attract and retain the best people in the industry.

Optima Health has and intends to continue to invest in its people, in a sustainable way, and aligned with its strategy. To support this the business has invested in:

- Refining its core values to ensure all Optima Health employees regardless of their legacy employer are accepted and valued
- Improving benefit provision across the group
- Supported candidates onto our GROW clinical academy programme, and employees on the journey to achieve a professional qualification
- Introduced a People Development Framework to ensure our people can identify how to progress within Optima Health, can access training and experience needed, and are remunerated competitively.
- Sponsorship initiative introduced - since launching the program this year we will have invested almost £45,000 in grass roots clubs, teams, and projects. This funding has helped to provide equipment, training, and support, making a real difference in the lives of countless people and their communities.

## Financial Review

Group revenue of £50.8m in HY25 represents a reduction of £6.0 million (HY24: £56.8 million), primarily due to the loss at retender of one large client and the decision of a second large client to bring a portion of its occupational health provision in house. Both changes occurred in the last quarter of the 2024 calendar year meaning that HY24 revenue included the full benefit of these two clients.

Offsetting this, annualised new business contract wins were secured of £3.6m in HY25, plus a further £3.1m either signed or at preferred bidder stage post 30 September 2024. Adjusting for these net new business wins that have not yet commenced delivering revenues would represent an underlying organic growth rate of 4.1% over HY24.

Currently the business has a strong new business pipeline of £11.5m annualised revenue which it is actively working on, alongside incumbent customer renewals, both bilateral and retenders.

We do not expect any further significant impact in FY25 from the loss and reduction in scope of these two clients.

As demonstrated in our past performance, we remain confident that whilst FY25 revenue is expected to be below FY24 (as set out in the Admission Documents) we will be able to organically grow revenue, both through winning new customers and expanding delivery to existing customers.

Adjusted operating profit decreased to £6.7 million (HY24: £7.5 million) as a result of the revenue reduction. Adjusted EBITDA decreased to £8.7 million (HY24: £9.8 million). Adjusted EBITDA means operating profit before interest, tax, depreciation and amortisation and excludes separately disclosed acquisition and other costs.

Group adjusted EBITDA margin remained relatively flat at 17.1% (HY24: 17.3%) which demonstrates management's commitment and ability to manage the cost base in response to a contraction in revenue.

The recently announced UK Autumn Budget 2024 changes to employers' national insurance is likely to have an impact on margins in the near term, but we are confident we can mitigate these additional costs in the medium term through pricing and operational efficiencies.

Further we remain confident that we can continue our long-term trend of improving margins as we leverage operational efficiencies as a result of the completion of integration programmes and implement further enhancements to our operating platforms. On a statutory basis, operating loss was £0.4 million (HY24: £0.1 million loss).

Adjusted profit before tax was £6.6 million (HY24: £7.5 million) and has been adversely impacted by the reduction in revenue. On a statutory basis, loss before tax for the half year was £0.5 million (HY24 loss before tax: £0.1 million).

Both the statutory operating loss and loss before tax for HY25 included £2.8m of one-off costs associated with the demerger and listing on AIM. Adjusting for these one-off costs, the underlying business was profitable and has made significant improvements in profitability over HY24.

### Non-IFRS measures

The interim financial results contain all the information and disclosures required by all accounting standards and regulatory obligations that apply to the Group. The results also include measures which are not defined by generally accepted accounting principles such as IFRS. We believe this information, along with comparable IFRS measures, is useful as it provides investors with a basis for measuring the performance of the Group on an underlying basis. The Board and our management use these financial measures to evaluate our operating performance. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Similarly, non-IFRS measures as reported by us may not be comparable with similar measures reported by other companies.

Consistent with historical treatment under the previous shareholder Marlowe plc costs associated with the integration activities which completed in HY25 have been removed to calculate adjusted metrics. Demerger/listing fees incurred in HY25 are one-off in nature and have also been removed from the adjusted metrics. The Directors believe that adjusted EBITDA and adjusted measures of operating profit, profit before tax and earnings per share provide shareholders with a useful representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group.

A reconciliation between statutory operating profit and EBITDA is shown below:

Continuing operations	HY25 £m	HY24 £m
(Loss) from operations	(0.4)	(0.1)
Amortisation of acquisition intangibles	3.2	3.2
Depreciation and amortisation of non-acquisition intangibles	2.0	2.3
<b>EBITDA</b>	<b>4.8</b>	<b>5.4</b>

A reconciliation between statutory loss and the adjusted performance measures noted above is shown below:

Six months ended 30 September 2024			
Continuing operations	(Loss)/ profit before tax £m	Operating (Loss)/profit £m	EBITDA
Statutory reported	(0.5)	(0.4)	4.8
Restructuring/integration costs	1.1	1.1	1.1
Demerger/listing costs	2.8	2.8	2.8
Amortisation of acquisition intangibles	3.2	3.2	-
<b>Adjusted Results</b>	<b>6.6</b>	<b>6.7</b>	<b>8.7</b>

Six months ended 30 September 2023			
Continuing operations	(Loss)/ profit before tax £m	Operating (Loss)/profit £m	EBITDA

Continuing operations	before tax £m	(Loss)/profit £m	EBITDA
Statutory reported	(0.1)	(0.1)	5.4
Restructuring/integration costs	4.4	4.4	4.4
Demerger/listing costs	-	-	-
Amortisation of acquisition intangibles	3.2	3.2	-
Adjusted Results	7.5	7.5	9.8

## Restructuring and other costs

Restructuring costs for HY25 were £1.1 million (HY24: £4.4 million) reflecting that the Group has successfully completed the comprehensive integration programme, with no further costs of this type expected from 30 September 2024 onwards. Restructuring costs primarily consist of:

- The cost of duplicated staff roles during the integration and restructuring period
- The redundancy cost of implementing the post completion staff structures; and
- The cost of dual running duplicate facilities no longer required
- IT costs associated with the integration and transfer to Group IT systems, including costs of third-party software used in the delivery of customer contracts where there is a programme to transition such software to one of the Group's existing platforms

Amortisation of acquisition intangible assets for HY25 was £3.2 million (HY24: £3.2 million). This is attributable to the carrying value of intangible assets resulting from the previous execution of the M&A strategy under Marlowe plc.

Demerger/listing costs were incurred in HY25 when the Group demerged from Marlowe plc and listed on AIM. The main costs incurred include legal fees, reporting accountant fees and nominated advisor fees. These costs are non-recurring and not considered to be reflective of the underlying trading performance.

## Earnings per share

Basic earnings per share are calculated as profit for the period less a standard tax charge divided by the weighted average number of shares in issue in the period.

Earnings per share* (EPS)	HY25	HY24
Basic adjusted earnings per share	£0.62	£5,266.80
Basic loss per share	(£0.08)	(£263.87)

\*Refer to note 7

The earnings per share (EPS) figures for the current and prior periods are not directly comparable due to the significant changes in the share capital structure. During the current period, the company issued 88,775,901 new shares, compared to a total of 1,075 shares in issue during the prior period. This substantial increase in share capital affects the calculation of EPS, as the weighted average number of shares in issue has materially changed.

## Interest

Finance costs amounted to £0.1 million in HY25 (HY24: £0.1 million). This mainly relates to IFRS 16 adjustments for right of use assets and additionally HY25 had a small amount relating to the Revolving credit facility (RCF) secured at the time of demerging from Marlowe plc.

## Taxation

The tax charge for the period has been calculated using the expected effective tax rate method. The UK Corporation Tax rate for the year is 25% (HY 25%), and this rate has been used as the basis for the calculation. Adjustments for any allowances, reliefs, or other tax-specific factors are reflected in the estimated effective tax rate applied to the interim results.

## Statement of financial position

The Group looks to maintain a strong balance sheet that is commensurate with the high levels of recurring revenues associated with its business model. Net assets at 30 September 2024 were £165.8 million (31 March 2024: £127.6 million). As part of the demerger from Marlowe plc all intercompany loans with Marlowe plc were released by deed of release in HY25.

## Cash flow

The Group benefits from stable recurring revenue streams underpinned by its long-term contracts, providing consistent monthly cash inflows. In the first half of the year, as expected operating cash flow included a working capital outflow of £4.7 million (HY24: £0.76 million). This was influenced by regular timing factors such as business-as-usual VAT payments, accruals from the prior year-end (e.g., annual bonus payments), and higher prepayments for annual expenses like insurance premiums, rates, and training courses. In the prior period, working capital benefited from increased liabilities due to management incentive schemes and contingent consideration provisions, which supported in reducing the overall cash outflow. Working capital performance in the second half is expected to reflect timing benefits typically realised later in the year.

Capital expenditure in HY25 totalled £1.7 million (HY24: £1.5 million) reflecting the continued investment in our software systems and ongoing investment in our business and facilities.

As part of the demerger from Marlowe plc, the Company paid Marlowe a cash dividend of £20.7 million in September 2024. This dividend represented all the cash on the Company's balance sheet. Also, in September 2024 the Group utilised £10.0 million of the RCF it has committed to support working capital requirements and the payment of the demerger/listing costs, post paying the dividend to Marlowe.

The Group received a £2.0m cash inflow as a result of Management purchasing 772,489 shares at a price of £2.56 each.

## Net debt and financing

Net debt at 30 September 2024, including £3.0 million of lease liabilities, was £3.6 million (HY24: £36.4 million net debt).

Net debt (excluding lease liabilities) at 30 September 2024 was £0.6 million (HY24: £34.0 million net debt). The decrease in net debt since the year end reflects the £20.7m dividend paid to Marlowe plc offset by the release of intercompany loans transacted as part of the demerger in September 2024.

In the second half, outside of normal trading, cash will be used to pay for the incurred demerger and listing costs. In addition to this there is a final deferred consideration amount to be settled to a previous owner of a group company. This

has been provisioned for on the balance sheet (£1.1m).

### Key Performance Indicators ('KPIs')

The Group uses many different KPI's at an operational level which are specific to the business and provide information to management. The Board uses KPIs that focus on the financial performance of the Group such as revenue, adjusted EBITDA, adjusted profit before tax, adjusted operating profit and cash-flow, including debtor analysis.

### CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Unaudited Six months to 30 September 2024 £'000	Unaudited Six months to 30 September 2023 £'000	Audited Year ended 31 March 2024 £'000
<b>Continuing operations</b>				
Revenue	4	50,751	56,760	110,887
Cost of sales		(34,993)	(38,109)	(74,413)
<b>Gross profit</b>		<b>15,758</b>	<b>18,651</b>	<b>36,474</b>
Administrative expenses		(7,070)	(8,805)	(18,449)
Depreciation and amortisation	5	(5,231)	(5,464)	(10,777)
Exceptional items	6	(3,894)	(4,441)	(7,969)
<b>Loss from operations</b>		<b>(437)</b>	<b>(59)</b>	<b>(721)</b>
Finance expense		(93)	(75)	(135)
<b>Loss before taxation</b>		<b>(530)</b>	<b>(134)</b>	<b>(856)</b>
Taxation		(142)	(137)	(227)
<b>Loss for the period</b>		<b>(672)</b>	<b>(271)</b>	<b>(1,083)</b>
<b>Other comprehensive (loss)/income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period attributable to owners of the parent</b>		<b>(672)</b>	<b>(271)</b>	<b>(1,083)</b>
Loss per share attributable to owners of the parent:				
Basic and diluted loss per share (£)	7	(0.08)	(263.87)	(1,030.45)

All the activities of the Group are from continuing operations.

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at 30 September 2024 £'000	Audited As at 31 March 2024 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,268	2,161
Intangible assets	8	176,780	179,830
Right-of-use asset		2,977	2,514
Net defined benefit pension assets		83	83
<b>Total non-current assets</b>		<b>182,108</b>	<b>184,588</b>
<b>Current assets</b>			
Inventories		83	63
Trade and other receivables		18,613	17,512
Cash and cash equivalents		9,384	21,096
<b>Total current assets</b>		<b>28,080</b>	<b>38,671</b>
<b>Total assets</b>		<b>210,188</b>	<b>223,259</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		16,245	22,318
Related party loans	11	-	55,081
Lease liabilities		835	1,697
Current tax liabilities		150	62
<b>Total current liabilities</b>		<b>17,230</b>	<b>79,158</b>
<b>Non-current liabilities</b>			
Borrowings	12	10,000	-

Provisions		1,252	1,368
Lease liabilities		2,158	702
Deferred tax liabilities		13,791	14,413
<b>Total non-current liabilities</b>		<b>27,201</b>	<b>16,483</b>
<b>Total liabilities</b>		<b>44,431</b>	<b>95,641</b>
<b>Net assets</b>		<b>165,757</b>	<b>127,618</b>
<b>Equity</b>			
Share capital	9	888	-
Share premium	9	2,993	975
Capital contribution reserve	10	162,403	126,498
Retained earnings		(527)	145
<b>Total equity</b>		<b>165,757</b>	<b>127,618</b>

#### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained earnings £'000	Total Equity £'000
<b>Balance at 01 April 2023</b>	-	825	126,498	706	128,029
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(271)	(271)
<b>Transactions with owners</b>					
Issue of shares	-	150	-	-	150
<b>Balance at 30 September 2023 (unaudited)</b>	-	975	126,498	435	127,908
<b>Balance at 01 October 2023</b>	-	975	126,498	435	127,908
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(812)	(812)
<b>Transactions with owners</b>					
Group reorganisation	-	-	-	522	522
<b>Balance at 31 March 2024</b>	-	975	126,498	145	127,618
<b>Balance at 01 April 2024</b>	-	975	126,498	145	127,618
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(672)	(672)
<b>Transactions with owners</b>					
Group reorganisation	-	-	56,651	-	56,651
Issue of shares	888	2,018	-	-	2,906
Dividends paid	-	-	(20,746)	-	(20,746)
<b>Balance at 30 September 2024 (unaudited)</b>	888	2,993	162,403	(527)	165,757

#### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year end to 31 March 2024
		£'000	£'000	£'000
<b>Cash flow from operating activities</b>				
Loss before taxation from continuing activities		(530)	(134)	(856)
Adjustments for non-operating items:				
Depreciation of property, plant and equipment		523	653	1,196
Amortisation of intangible assets	8	4,018	3,951	7,941
Depreciation of right-of-use assets		690	860	1,640
Loss on disposal of property, plant and equipment		64	-	3
Loss on remeasurement of lease liabilities		44	-	3
Movement in provisions		(116)	2	208
Finance expenses		93	75	135
<b>Net cash generated from operating activities before changes in working capital</b>		<b>4,786</b>	<b>5,407</b>	<b>10,270</b>
(Increase)/Decrease in inventories		(20)	31	100
(Increase)/Decrease in trade and other receivables		(1,101)	(2,288)	2,351
Increase/ (Decrease) in trade and other payables		(3,570)	918	2,027
<b>Cash generated from operations</b>		<b>6</b>	<b>4,068</b>	<b>14,748</b>

Cash generated from operations		₪	4,000	14,140
Tax paid		(678)	(151)	(1,903)
<b>Net cash (used in) / generated from operating activities</b>		<b>(583)</b>	<b>3,917</b>	<b>12,845</b>
<b>Cash flow from investing activities</b>				
Purchase of intangible assets	8	(968)	(1,188)	(2,445)
Purchase of property, plant and equipment		(694)	(294)	(404)
<b>Net cash used in investing activities</b>		<b>(1,662)</b>	<b>(1,482)</b>	<b>(2,849)</b>
<b>Cash flow from financing activities</b>				
Principal paid on lease liabilities		(603)	(767)	(1,492)
Interest paid on lease liabilities		(90)	(75)	(135)
Bank interest paid		(3)	-	-
Dividends paid		(20,746)	-	-
Proceeds from issue of share capital		1,975	-	-
Proceeds from borrowings		10,000	-	-
<b>Net cash used in financing activities</b>		<b>(9,467)</b>	<b>(842)</b>	<b>(1,627)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(11,712)</b>	<b>1,593</b>	<b>8,369</b>
Cash and cash equivalents at the beginning of the period		21,096	12,727	12,727
<b>Cash and cash equivalents at the end of the period</b>		<b>9,384</b>	<b>14,320</b>	<b>21,096</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Company information

Optima Health is a public company incorporated in England and Wales. Its registered address is Meadow Court, 2 Hayland Street, Sheffield, England, S9 1BY. The consolidated interim financial statements consolidate those of the Company and its subsidiaries.

### 2. Summary of significant accounting policies

#### Basis of preparation

These consolidated interim financial statements present the results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2024. They have not been audited and do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006.

These condensed consolidated interim financial statements have been prepared in accordance with AIM rules and the recognition and measurement requirements of UK-adopted International Accounting Standards ("IFRS"). The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited consolidated financial statements for inclusion in the AIM admission document and those that will be applied in the Group's annual financial statements for the period ending 31 March 2025.

The comparative figures for the financial year ended 31 March 2024 are consistent with those presented in the Group's AIM admission document.

The consolidated interim financial statements are presented in thousands of Pounds Sterling ("£'000"), which is the functional and presentational currency of the Group.

#### Basis of consolidation

The interim financial statements consolidate the results of the Company and its subsidiary undertakings made up to 30 September 2024.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Income, expenditure, unrealised gains and intra-Group balances arising from transactions within the Group are eliminated.

#### Going concern

The Group meets its day-to-day working capital requirements through cash generated from operations. The Directors have considered the Group's forecast cash flows as well as the Group's liquidity requirements, including downside scenarios.

As part of the demerger process, the Group paid a dividend of £20,746,000 to Marlowe plc, the former shareholder in accordance with the agreed terms of the transaction. As a result, the Group has secured a £20m revolving credit facility to initially fund transaction costs and working capital requirements following the demerger, of which it has drawn £10m. The related party liabilities with Marlowe plc were released as part of this process.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months. Therefore, the Group has adopted the going concern basis of accounting in preparing the interim financial statements. In making this assessment the Directors have considered the headroom available on the debt facility combined with the expected level of cash generation of the Group over the next twelve months.

### 3. Critical accounting estimates and judgements

The preparation of the condensed consolidated interim financial statements requires Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these judgements and estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for inclusion in the AIM admission document.

### 4. Revenue

The Group generates revenue primarily from the provision of occupational health and wellbeing services sold in the ordinary course of the Group's activities. Management considers there to be one revenue stream within the one operating segment.

All revenue is recognised over time based on services delivered in the period.

In the period ended 30 September 2024, there was 1 customer who contributed 10% or more of the revenue generated by the Group (2023: 1)

#### Customers representing revenue greater than 10%

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Year ended 31 March 2024 £'000
Customer 1	7,546	6,502	13,854
Other	43,205	50,258	97,033
	<u>50,751</u>	<u>56,760</u>	<u>110,887</u>

#### Geographical reporting

The Group operates in the UK and all revenue is derived from the UK.

### 5. Depreciation and amortisation

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Audited Year ended 31 March 2024 £'000
Depreciation of property, plant and equipment	523	653	1,196
Amortisation of intangible assets	862	795	1,630
Amortisation of intangible assets arising on acquisition	3,156	3,156	6,311
Depreciation charge of right-of-use assets	690	860	1,640
	<u>5,231</u>	<u>5,464</u>	<u>10,777</u>

### 6. Exceptional items

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Year ended 31 March 2024 £'000
Restructuring costs	1,062	4,441	8,571
Management incentive schemes	-	-	(602)
Demerger and listing costs	2,832	-	-
	<u>3,894</u>	<u>4,441</u>	<u>7,969</u>

Restructuring costs include the costs associated with the integration of acquisitions, including:

- The cost of duplicated staff roles and other duplicated operational costs during the integration and restructuring period;
- The redundancy cost of implementing the post completion staff structures; and
- IT costs associated with the integration and transfer to Group IT systems.

These costs, particularly those related to the demerger and listing, are regarded as non-recurring. Restructuring costs associated with historical acquisitions are not expected to form part of the Group's regular, ongoing operating expenses in the future.

### 7. Loss per share

#### Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to equity holders divided by the weighted average number of shares in issue during the period.

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Audited 31 March 2024
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	£'000		
Loss for the period from continuing activities	(672)	(271)	(1,083)
	30 September 2024 No.	30 September 2023 No.	31 March 2024 No.
Weighted average number of ordinary shares	8,685,240	1,027	1,051
	30 September 2024 £	30 September 2023 £	31 March 2024 £
Basic and diluted loss per share (£)	(0.08)	(263.87)	(1,030.45)

#### 7. Loss per share (continued)

##### Adjusted earnings per share

The Directors believe that the adjusted earnings per share provide a more appropriate representation of the underlying earnings derived from the Group's business. The adjusting items are shown in the table below:

##### Adjusted earnings per share

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000	Audited 31 March 2024 £'000
Loss for the period	(672)	(271)	(1,083)
Adjustments:			
Restructuring costs	1,062	4,441	8,571
Demerger and listing costs	2,832	-	-
Management incentive scheme	-	-	(602)
Amortisation of acquisition intangibles	3,156	3,156	6,311
Tax adjustment	(1,005)	(1,917)	(3,757)
Adjusted profit for the period	5,373	5,409	9,440
	30 September 2024 No.	30 September 2023 No.	31 March 2024 No.
Weighted average number of ordinary shares	8,685,240	1,027	1,051
	30 September 2024 £	30 September 2023 £	31 March 2024 £
Adjusted Basic and diluted profit per share (£)	0.62	5,266.80	8,981.92

#### 8. Intangible assets

	Goodwill £'000	Customer contracts £'000	Software £'000	Trade name £'000	Total £'000
<b>Cost</b>					
At 1 April 2023	112,671	54,559	22,280	5,117	194,627
Additions - internally developed	-	-	2,445	-	2,445
At 31 March 2024	112,671	54,559	24,725	5,117	197,072
<b>Amortisation</b>					
At 1 April 2023	-	5,271	3,433	597	9,301
Charge for the period	-	4,130	3,299	512	7,941
At 31 March 2024	-	9,401	6,732	1,109	17,242
<b>Net book value</b>					
At 31 March 2024	112,671	45,158	17,993	4,008	179,830
<b>Cost</b>					
At 1 April 2024	112,671	54,559	24,725	5,117	197,072
Additions - internally developed	-	-	968	-	968
At 30 September 2024	112,671	54,559	25,693	5,117	198,040
<b>Amortisation</b>					
At 1 April 2024	-	9,401	6,732	1,109	17,242
Charge for the period	-	2,065	1,697	256	4,018
At 30 September 2024	-	11,466	8,429	1,365	21,260
<b>Net book value</b>					

At 30 September 2024	112,671	43,093	17,264	3,752	176,780
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## 9. Share capital

Allotted, called up and fully paid	Share capital £'000	£0.01 Ordinary shares	£0.01 Ordinary A shares	Share premium
		No.	No.	£'000
Balance at 1 April 2023	-	100	825	825
Issue of Ordinary A shares	-	-	150	150
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>100</b>	<b>975</b>	<b>975</b>
Balance at 1 April 2024	-	100	975	975
Issue of Ordinary A shares	-	-	32	51
Issue of Ordinary shares	888	88,775,901	-	1,967
Reclassification of Ordinary A shares	-	1007	(1,007)	-
Cancellation of Ordinary shares	-	(782)	-	-
<b>Balance at 30 September 2024</b>	<b>888</b>	<b>88,776,226</b>	<b>-</b>	<b>2,993</b>

On 26 September 2024, the entire issued share capital of the Company was admitted to trading on AIM.

## 10. Capital Contribution

The capital contribution reserve represents non-cash contributions to the Company from equity holders. This includes £126.5m for the recognition of the investment in subsidiaries transferred from Marlowe plc for £nil consideration.

In September 2024, as part of the demerger process, loans due to Marlowe plc were released and the management incentive scheme liability was settled by Marlowe plc, resulting in £56.7m being credited to the capital contribution reserve in the period.

The reserve is available for distribution in accordance with Section 830 of Companies Act 2006.

## 11. Related party loans

	Unaudited 30 September 2024 £'000	Year ended 31 March 2024 £'000
<b>Current</b>		
Amounts owed to related parties	-	55,081
	-	55,081

Amounts owed to related parties included balances owed to the ultimate controlling party and other members of the pre-demerger group. All related party loans were unsecured, bore no interest and were repayable on demand. The loans were released as part of the de-merger in September 2024 and were therefore credited to the capital contribution reserve.

## 12. Borrowings

	Unaudited 30 September 2024 £'000	Year ended 31 March 2024 £'000
<b>Non - Current</b>		
Bank loans	10,000	-
	10,000	-

The long-term bank loan is in relation to the drawdown of an unsecured revolving credit facility of £20m with an uncommitted accordion facility of up to £15m. The facilities are for an initial term of three years with an option for the Company to extend by up to two years.

[1] Identified tender opportunities in our new business sales process which is being actively pursued or has been submitted awaiting outcome

\* \* identified tender opportunities in our new business sales process which is being actively pursued or has been submitted awaiting outcome

[2] Earnings before interest, taxes, depreciation and amortisation ("EBITDA") and adjusted for integration and demerger costs as detailed on page 6

[3] Explanation of non-IFRS measures are contained within the Business review

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