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**[23 July 2018]**

## **Biome Technologies plc**

**("Biome", "the Company" or "the Group")**

### **Trading Update**

Biome Technologies plc, a leading bioplastics and radio frequency technology business, today publishes a trading update for the six months ended 30 June 2018. The unaudited interim results are expected to be announced on 3 September 2018.

Total Group revenues for the first half of the year were £4.3m, a 43% increase compared to the same period last year (2017: £3.0m).

The Directors expect that the Group will report an increased profit before interest, tax, and amortisation for the half year compared to the first half of 2017, reflecting the increase in revenues (based on unaudited management accounts).

The Group's cash position as at 30 June 2018 was £2.3m (31 December 2017: £2.3m, 31 March 2018 £2.4m), reflecting a combination of positive trading activity, balanced by the unwinding of advance customer deposits previously received by the Company.

### **Bioplastics Division**

Revenues in the Bioplastics division in H1 2018 were £0.9m compared to £1.2m in H1 2017, with turnover in the second quarter returning to a more encouraging pattern. Sales of the Mesh product continued to grow as expected. It is now anticipated that sales of the reformulated rigid ring material for coffee pods will commence in Q4 2018.

The division continues to work on the development of new projects which are driven by potential customer demand for a biodegradable solution to their packaging requirements. Two of these projects are advancing encouragingly through product development and, if successful, could lead to substantial additional revenues in 2019 and 2020. We will keep shareholders informed of progress.

Positive interest remains in the UK, with the Government looking to progress innovative material solutions to the problem of single use plastics in the medium term. This may provide an opportunity to accelerate our work in industrial biotechnology solutions and Biome is engaged with a number of parties in this area.

### **Stanelco RF Technologies Division**

Revenues for H1 2018 in the RF Technologies division were double those of the comparative period at £3.4m (H1 2017: £1.7m). The increase in revenues is reflective of the increased sales of fibre optic furnaces for the Far East market. The forward order book for the remainder of 2018 remains exceptionally strong with good enquiry levels going into 2019 and the team has been expanded to deal with these increased levels of activity. Revenues for the full year 2018 are now anticipated to be significantly higher than 2017.

### **Outlook**

Biome continues to make progress against the strategy as set out in the Group's full year results announced in March 2018 and against this background the Board remains confident in the Group's outlook for the remainder of the year.

**- Ends -**

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**About Biome**

Biome Technologies plc is an AIM listed, growth-orientated, commercially driven technology group. Our strategy is founded on building market-leading positions based on patented technology and serving international customers in valuable market sectors. We have chosen to do this by developing products in application areas where the value-added pricing can be justified and that are not reliant on government legislation. These products are driven by customer requirements and are compatible with existing manufacturing processes. They are market rather than technology-led.

The Group comprises two divisions, Biome Bioplastics Limited and Stanelco RF Technologies Limited. Biome Bioplastics is a leading developer of highly-functional, bio-based and biodegradable plastics. The company's mission is to produce bioplastics that challenge the dominance of oil-based polymers. Stanelco RF Technologies designs, builds and services advanced radio frequency (RF) systems. Dielectric and induction heating products are at the core of a product offering that ranges from portable sealing devices to large furnaces for the fibre optics markets.

In 2018, the Board has adopted the following three high level KPIs for the next three years to continue its ambitious momentum:

- Compound revenue growth of 25% per annum across the Group and 40% compound revenue growth in the Bioplastics division
- Diversify the Group's turnover by product and market to ensure that no one product or end customer contributes more than 15% of revenues by 2020
- Increase investment in the Group's next generation of products by spending significantly more per annum on average than the £0.3m per annum average spend over the previous strategic objective cycle

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