

Biome Technologies at a glance

September 2018



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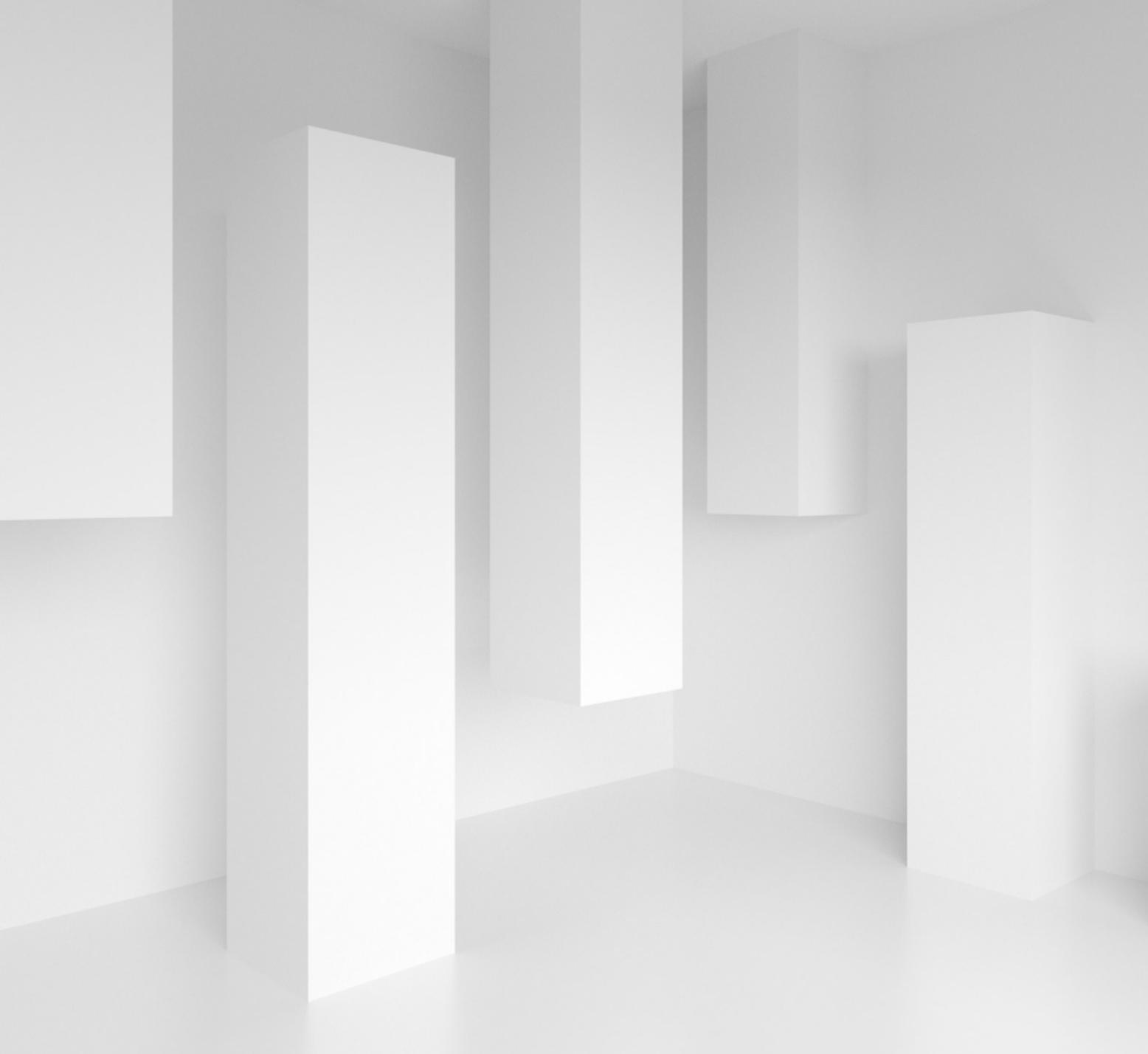
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Group overview

Overview

- Biome Technologies plc is a growth-oriented, commercially-driven technology group listed on the AIM market.
- The Group comprises two distinct leading-edge technology divisions, the first (Biome Bioplastics) in the rapidly-developing market for bioplastics, and the second (Stanelco RF Technologies) in the specialised field of radio-frequency heating equipment.
- Both divisions have a track record of commercialising technology for customer-led applications in markets with significant growth opportunities.
- The Group's strategy is to build market-leading positions based on patented technology or know-how, and serve international customers in high-value market sectors.

Group profile



Listed on the AIM market, the international market for growing companies trading on the London Stock Exchange, allowing both existing and new shareholders to participate in our growth.



The Group's strategy is to build market-leading positions based on patented technology or know-how, and serve international customers in high-value market sectors.



Engaged with a variety of large-scale international customers and partners on a number of key commercial and development partnerships.



Protects its existing intellectual property in a robust manner and protects new developments through patents and confidentiality.



Driving an international expansion of activities and now operates in Europe, North America and Asia. Headquarters and R&D activity is based at Southampton in the UK.



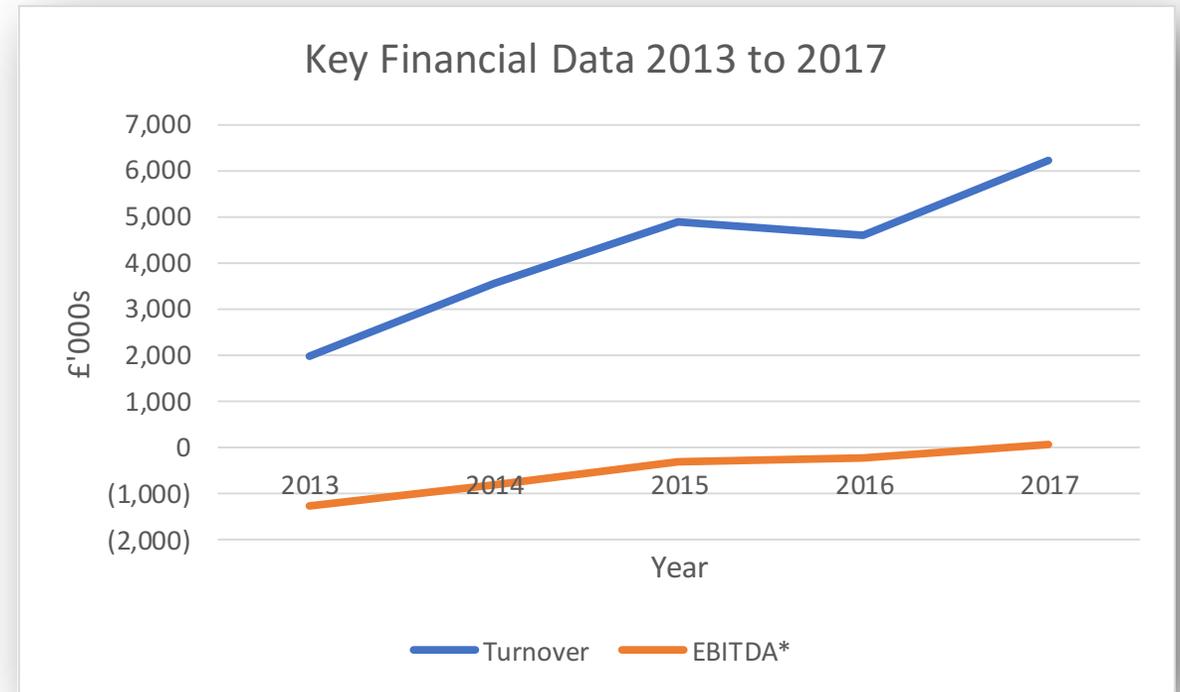
Robust ethical and governance policies and a Board committed to driving enhanced shareholder value.

KPIs

- The Board has adopted ambitious KPIs for the 2018 – 2020 objective cycle. These KPIs demonstrate our commitment to building a strong, innovative and balanced Group that consistently generates shareholder value:
 - Compound revenue growth of 25% per annum across the Group and 40% compound revenue growth in the Biome Bioplastics division.
 - Diversify the Group's turnover by product and market to ensure that no single 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.
- The Board continues to measure the Group's performance against these new KPIs and reports to shareholders annually on progress.

Key data

- Listed on AIM in July 2010.
- Nomad Allenby
- EBITDA profitability from 2017.
- H1 2018: Revenues £4.4m, EBITDA £0.5m.
- Cash as at 30 June 2018: £2.3m.
- Employees 42.
- Market Cap ~£12m September 2018.



* Earnings before interest, depreciation, amortisation and share options charges. In addition the effect of a one off settlement income of £0.45m was removed from the result for 2016

Investment proposition

- The bioplastics division has both a distinct, existing high performance product portfolio and an emerging technology pipeline based on industrial biotechnology. With rapid changes in the public perception of oil-based market, this business represents an opportunity for significant growth.
- The radio-frequency division is cash generative and has secured a market-leading position that can be further exploited as the technology is applied to new application areas.
- Group compound revenue growth of 37% over the last 4 years.
- The move to EBITDA profit since 2016 and cash balances (£2.3m at June 2018) gives the Group good operational flexibility.
- Increased investment in sales activities and development spend in 2018 improves the growth potential of both businesses.

The board



John F Standen Non-Executive Chairman

John became our Non-Executive Chairman in 2007. John has recently been Non-Executive Chairman of Lavendon Group plc. He was Chairman of the Council of Hull University for seven years until retiring in April 2013. John was previously Non-Executive Chairman of Reg Vardy plc until its sale in 2006. He spent his career in corporate finance and was Chief Executive of BZW Corporate Finance before retiring from Barclays Bank plc in 1998.



Paul R Mines Chief Executive Officer

Paul was appointed CEO in 2007. An engineer with an MBA from London Business School, Paul spent his earlier career at ICI plc and Courtaulds plc and has 17 years experience in the plastics and packaging industry, managing high growth markets, turnarounds and M&A. For the eight years to 2006, Paul was CEO of the Betts Group, having led a management buy-out of the company from Courtaulds plc.

The board



Declan Brown
Group Finance
Director

Declan was reappointed Group Finance Director on 23 April 2014 after serving in the same position from 1 November 2011 to 30 November 2012. Prior to this he was Chief Financial Officer for V.Ships Capital, part of V.Group, the world's largest shipping services provider. Previous to this he worked for Philip Morris Limited, Sappi Fine Paper plc, Standard Bank PLC and KPMG, with whom he qualified as a chartered accountant.



Michael Kayser
Independent Non-
Executive Director

Michael was appointed as Non-Executive Director on 6 October 2010 and chairs the Audit and Remuneration Committees. His previous experience includes Group Finance Director at Laporte PLC for five years, Finance Director of Guinness Brewing Worldwide and Non-Executive Director of Stobart Group plc and Chairman of their Audit Committee.



Biome Bioplastics

biomebioplastics.com

Overview

- Leader in the rapidly developing market for bio-based and biodegradable materials that seeks to challenge the dominance of oil based polymers.
- Building market share in high-performance (high-value) applications including packaging, food service, and single-serve beverages.
- International sales portfolio with consumer goods brands.
- Cutting-edge research programmes in the field of industrial biotechnology to develop a new range of sustainable platform chemicals and materials for further product development.
- Addressing UK government priorities for reducing plastic waste and commercialising science from UK's industrial biotechnology pipeline (>£3.5m of government funding received).

A changing market

- Global awareness of plastics' pollution and greenhouse gas emissions at a new high.
- Legislation and consumer/brand awareness of sustainable options for plastics increasing.
- Performance of bioplastics improving and range of applications expanding.
- Composting as a route to disposal in greater use and forming part of long-term waste plans.
- Biodegradable materials part of the solution to soil and marine pollution by micro-plastics.
- An up-swing of interest from a number of leading businesses and brands however higher cost of bioplastics remain a constraint on growth.
- UK Government 25 Year Plan and Industrial Strategy includes specific commitment to “develop a pipeline of new, more sustainable materials that will have a lower environmental impact”.
- Bioplastics market expected to grow at ~30% per annum to 2022.
- Estimates of broader global Industrial Biotechnology market by 2025 range from £150bn to £360bn.

The business

- Since 2012, a focused bioplastics business.
- Develops and manufactures bioplastic compounds, using polymers, natural materials and other additives.
- Works with customers in (typically) in 2-4 year development cycles.
- Low capex manufacturing model using hired facilities in Europe/USA,
- All finished plastics are biodegradable/compostable and have a significant proportion of renewable content.
- Portfolio of commercialised products that include barrier packaging for coffee, high temperature rigid materials and non-woven filtration products.
- Over 80% of sales outside of UK but increasing interest in bioplastics products from UK market being explored,
- Pipeline key development projects with a customer group that ranges from mid-size to multi-nationals.



Biome and industrial biotechnology

- Developing capabilities in the emerging field of industrial biotechnology.
- Work is focused on the production of bio-based and biodegradable hetero-aromatic polyesters that will continue to strengthen and distinguish our product range.
- Over the last four years we have directed over £5m of research and development aimed at scaling and commercialising these novel bio-based polyesters.
- New polyesters feature improved performance and the possibility of a lower cost base compared to existing market alternatives.
- Working with leading University groups in UK, France and Spain.
- 4 patent applications filed in major markets.
- Demonstrated at laboratory scale, over the next 18 months we are attempting scale-up of the processes and establishing the commercial viability of the novel polyesters.





Stanelco RF Technologies

stanelcoftechnologies.com

Overview

- Specialist OEM engineering business developing radio frequency (RF) welding, heating and furnace technology.
- RF uses the heating effect of electromagnetic waves.
- International market leading position in the fast-growing furnace market for fibre-optic cable production.
- Our recent growth in fibre-optic furnaces driven by adoption of 4G/5G mobile networks in Asia and demand for data capacity for the internet.
- Assembly and testing takes place in our Southampton facility, over 80% of equipment exported
- Export sales to Asia are >70% of revenues.
- Other markets including specialist heating and welding for the likes of medical and precious metal refining.

Product: Fibre-optic furnaces

- Fibre-optic market has seen recent rapid growth, investment in significant new capacity in Asia.
- Growth driven by adoption of 4G/5G mobile networks in Asia and demand for data capacity for the internet.
- Stanelco's furnaces, at the heart of the controlled melting of glass at $>2000\text{C}$, are known for their quality and reliability.
- Stanelco has moved quickly to realise the growth opportunity and has scaled-up production furnaces 3-fold in the last 12 months.
- Scale-up has included expansion at the Southampton facilities and a 30% increase in production staff.
- Significant further investment continues in the next generation of furnace technology.



Growth potential

- Stanelco has repeating revenues from power generation, medical and general industrial markets, primarily in the UK.
- In recent years a concerted effort to increase its geographical footprint and range of applications.
- In 2017/2018, launched several “standard” power supply products in new industrial markets, with dedicated sales and technical support staff.
- Involved with a small number of customer funded development projects that may yield opportunities in the next few years.
- Will remain a specialist application-focused business where customisation and a high level of support are key to the product offering.

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Shareholders

Principal shareholders

(31 March 2018)

*Mr V A Pereira's holding includes 477,837 ordinary shares held in his own name and 77,426 held by his wife, Mrs G Pereira.

Directors

(4 May 2018)

**Mr John Standen's holding includes 11,250 ordinary shares held in his own name, 28,836 held by Leapacross Ltd (a company controlled by John Standen) and 11,250 held by his wife, Mrs K M Standen.

Holder	Shares	%
Mr V Pereira*	555,263	23.50%
Mr JM Rushton-Turner	288,050	12.19%
Hargreave Hale	92,311	3.91%

Holder	Shares	%
Mr Paul Mines	26,525	1.12%
Mr John Standen**	51,336	2.17%
Mr Declan Brown	3,970	0.17%
Mr Michael Kayser	4,071	0.17%



Biome's innovative bioplastic and radio frequency technology and commercial positioning provides an exciting platform for further growth and shareholder returns.

– Paul Mines, CEO