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**24 January 2019**

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

**Pre-close Trading Statement**

Biome Technologies plc, a leading bioplastics and radio frequency technology business, today provides a pre-close trading statement for the financial year ended 31 December 2018.

Group revenues for the year were £8.8m, a 42% increase on the 2017 revenues of £6.2m.

The Group made an increased profit before interest, tax, depreciation, amortisation, and share option charges ("EBITDA") for the year compared to the prior year period (based on unaudited management accounts).

The Group's cash position as at 31 December 2018 was £2.6m (31 December 2017: £2.3m).

The preliminary results for the year ended 31 December 2018 are scheduled to be published on 28 March 2019.

**Bioplastics Division**

Revenues in the Bioplastics division for the year ended 31 December 2018 were £1.9m, a 17% reduction on the previous year (2017: £2.3m).

Over the last year, sales of the non-woven filter mesh for the US single serve coffee market have increased, together with other revenues, by more than 50%, compared to the prior year, in line with our strategy to diversify the customer base. The overall drop in annual Bioplastics revenues throughout the year is due to significantly lower sales of outer packaging for the US single serve coffee market.

As shareholders are aware, we continue to build a more diverse and extensive portfolio of bioplastics applications with new and existing customers, many of which are expected to contribute substantially to sales, particularly in the latter part of 2019. These include the rigid ring project for the coffee market that continues through its testing phase and is now expected to contribute to sales in Q2 2019 (rather than Q1 2019 as previously indicated); disposable cutlery for the US market which is designed to meet much higher user performance standards; a novel material for a single served pod being launched into the nutrition market; and a plastic film based product for the North American market. Customers' interaction and engagement with these projects is high.

Whilst the opportunities described above are all located in North America, the focus on the broader issue of plastic pollution in the UK has generated increased local market interest. Potential opportunities of scale are gradually emerging as brands and businesses adjust to this environment.

**Stanelco RF Technologies Division**

Revenues in the RF Technologies division for the year ended 31 December 2018 were £7.0m (2017: £4.0m), a 75% increase on the previous year.

Very strong demand in the fibre optic furnace market for Far Eastern markets has been the prime driver of the increase in sales in 2018. Whilst enquiry levels remain encouraging for 2019, the firm order book now is, at present, lower than the comparative period in 2018. Whilst greater visibility is expected in the coming months, it is anticipated, at present, that 2019 revenues in this division will be higher than those seen in the year to 31 December 2017, but lower than the exceptional year to 31 December 2018.

## **Outlook**

As 2019 unfolds, we expect a gradual but substantial increase in Bioplastics revenues. This trend should be encouraging for investors and should reward their patient support for our development of new materials in an area of outstanding business potential. RF Technologies' revenues are expected to continue to reflect the nature of this cyclical business area.

**- 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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