

22 July 2019

**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 2019. The unaudited interim results are expected to be announced on 12 September 2019.

Total Group revenues for the first half of the year were £3.6m (H1 2018: £4.4m) with the Bioplastics division reporting a 53% increase in revenues over the same period in the prior year and revenues generated by the RF technologies division returning to a more normalised level as anticipated in previous statements.

The Directors expect that, for the half year to June 2019, the Group will report a modest loss before interest, tax, depreciation, amortisation and share option charges (based on unaudited management accounts) as the business supports an increased headcount to drive growth.

The Group's cash position as at 30 June 2019 was £1.7m (31 March 2019: £2.3m), reflecting Group trading performance and an increase in working capital requirements.

**Bioplastics Division**

Revenues in the division continue to grow with H1 2019 reaching £1.4m (H1 2018: £0.9m and FY 2018 £1.8m). Turnover in the second quarter reached £0.8m, a 26% increase over the first quarter.

In line with our strategy, it has been particularly encouraging to see these growing revenues coming from three key growth drivers: a greater number of customers; a wider range of end-use application areas; and a broader geographic base. Whilst much of this growth is based on development projects that commenced some time ago, the continued global focus on the problem of plastics, both in their disposal and the climate change impact of their manufacture, is supporting the appetite for our existing products and continuing to increase our product development and customer project pipeline.

To further illustrate the above, the performance in the first-half was driven by several new customers and initial sales for several of the division's novel products, including:

- a new material for a new customer supplying single serve pods being launched into the global sports nutrition market
- a new material for an existing customer launching a compostable range into the US disposable cutlery market
- materials for a plastic film application with a new customer in the US market

Our non-woven coffee filter material, introduced to the market in 2016, continues to achieve higher levels of revenue, assisted by the completion of the transfer of its manufacture from Germany to the US where the contract manufacturer's new facility has further headroom for growth in production.

As a result of the increasing volume of sales, we have also recently contracted for commercial production of bioplastic materials in the UK, initially for the continental European market, and expanded its capacity for the US market.

Given the above, the Board remains confident of a gradual but sustained increase in the Bioplastics division's revenues as the year progresses.

### **Stanelco RF Technologies Division**

Revenues for the first half of 2019 in the Stanelco RF division were £2.2m (H1 2018: £3.5m, H1 2017: £1.7m). This reduction in revenue is due to the previously announced return to more normalised sales levels of fibre optic furnaces following the exceptional demand experienced in 2018.

Encouragingly, the division has recently signed a £1.3m contract for the supply of a number of fibre optic furnaces to a regular international customer for delivery in H2 2019. This underpins revenue expectations for the second half and underlines the further requirement for capacity in the fibre optic market.

The Board continues to believe that revenues from this division for 2019 will be in line with previous guidance, being closer to those recorded in 2017 than the exceptional level in 2018.

### **Outlook**

Our two divisions continue to perform to our expectations. We expect the growth drivers of the Bioplastics division to continue to propel it towards eclipsing Stanelco RF as the principal revenue generator for the Group within the next year or so.

We remain confident in our ability to take advantage of the opportunities our markets are offering.

- Ends -

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### **About Biome**

Biome Technologies plc (Ticker:BIOM) 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 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

[www.biometechnologiesplc.com](http://www.biometechnologiesplc.com)

[www.biomebioplastics.com](http://www.biomebioplastics.com) and [www.thinkbioplastic.com](http://www.thinkbioplastic.com)

[www.stanelcorftechnologies.com](http://www.stanelcorftechnologies.com)

#ThinkBioplastic is our digital educational platform, launched in October 2018 in response to the emerging global plastic conversation. It speaks to a wide audience, highlighting bioplastics as a leading solution among several to reduce the negative impact of plastic manufacture and disposal. Following the much acclaimed first series of short videos the second series was recently released.