

12 September 2019

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

Interim Results

Biome Technologies plc announces its unaudited Interim Results for the six months ended 30 June 2019.

Highlights

- The Group generated revenues of £3.6m and gross profit of £1.7m
- The Biome bioplastics division is continuing towards becoming the principal revenue generator for the Group
- Biome bioplastics revenues were generated from both existing products as well as the early phase of commercialisation of three new products
- Stanelco RF division trading in line with normalised levels of fibre optic furnace demand

Paul Mines, Chief Executive Officer said:

"The first half of 2019 has seen substantial progress in the commercialisation of three new products in the Bioplastics division with initial revenues in the latter part of the period. Against this backdrop it is anticipated that the Group will evolve with the Bioplastics division becoming the principal revenue generator in coming periods."

- Ends -

For further information please contact: Biome Technologies plc

Paul Mines, Chief Executive Officer
Declan Brown, Group Finance Director
www.biometechnologiesplc.com

Tel: +44 (0) 2380 867 100

Allenby Capital

David Hart/Alex Brearley (Nominated Adviser)
Kelly Gardiner (Broker)
www.allenbycapital.com

Tel: +44 (0) 20 3328 5656

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

www.biomebioplastics.com and www.thinkbioplastic.com

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.

Chairman's Statement

The Group's Bioplastics division continues its strong growth path towards becoming the principal revenue generator for the Group. In that context, the Bioplastics division delivered a more than 50% increase in revenues in the first half of the year. Group revenues were £3.6m 2019 (H1 2018: £4.4m) which reflected a more normal level of revenue at the Stanelco RF Technologies division after the exceptional level of sales in 2018.

Gross profit was £1.7m (H1 2018: £2.3m) impacted by the effect of the revenues highlighted above. The overall gross margin for the Group was 48% (H1 2018: gross margin 53%) reflecting the increased weighting of sales towards the Bioplastics division.

The Group recorded a small loss before interest, depreciation, amortisation and share option charges for the six months to 30 June 2019 of £0.2m (H1 2018: £0.5m profit). The loss after taxation was £0.5m (H1 2018: £0.2m profit), which equates to a loss per share of 20 pence on a basic basis and diluted basis (H1 2018: profit per share of 9 pence on a basic and diluted basis).

The Group's cash position as at 30 June 2019 was £1.7m (31 December 2018: £2.6m) reflecting the increase in working capital requirements in line with activity.

Biome Bioplastics Division

Revenues in the Bioplastics division for the first half of 2019 were £1.4m (H1 2018: £0.9m) with this turnover reflecting increases in existing products as well as the early phase of commercialisation of three new products.

The operating loss for the period was £0.3m (2018: operating loss of £0.3m).

We gained some initial revenues for the following three products with customers in the USA in the first half of the year:

- a new material for single serve pods in the sports nutrition market
- a new material for use in the compostable disposable cutlery market
- plastic film products for a new customer

It is anticipated that revenues from these products will increase over the coming quarters as they scale up in line with customer demands.

The Bioplastics team is now also working on a strong product development pipeline of other opportunities with a variety of existing and new customers.

To further these opportunities, a number of new commercial and technical team members have been recruited into the business in the last 12 months and they are all now making significant contributions alongside their more experienced colleagues. Sally Morley, until recently the Commercial Director of the division, has recently been appointed Managing Director. This strengthening of the team's leadership has enabled other organisational changes as the business adjusts to heightened levels of activity in both manufacturing and development.

The division has continued with its mid-term strategy to develop a new range of lignocellulose-derived bioplastics, with the aim of generating bio-based and biodegradable plastic products with increased performance that can be produced at a cost more comparable to traditional plastics made from petrochemicals. This work is supported by a number of government grants. During the first half of the year, development work commenced on the scale up of one of the new monomers in conjunction with Nottingham University. Further updates on the progress of these projects will be made as they evolve.

Stanelco RF Technologies Division

Revenues in the RF Technologies division were £2.2m (H1 2018: £3.5m) reflecting a return to the more normalised levels of fibre optic furnace demand from the previously reported exceptional demand recorded in 2018. As a result of this, operating profit recorded in the first half of the year was £0.6m (H1 2018: £1.3m).

The division signed a £1.3m contract for the supply of a number of fibre optic furnaces in the second half of 2019 and it is against this backdrop that the Board continues to expect full year revenues for this division to be in line with those of 2017.

Outlook

The Bioplastics division has made substantial progress in its aim of commercialising new products within the last six months and additional revenue growth is expected in forthcoming quarters. In line with its previous expectations, the Board anticipates that the Bioplastics division will maintain a gradual but sustained increase in revenues in 2019 and will eclipse the RF Technologies division as the main revenue generator for the Group in a year or so.

The commercial opportunities in bioplastics that we are sourcing are growing in scale and improving in quality. The Board will continue to use all available means possible to take advantage of this change in market dynamic for the benefit of shareholders.

John Standen
Chairman

**CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**
For the period ended 30 June 2019

	Note	Total for 6 Months Ended 30 June 2019 Unaudited £'000	Total for 6 Months Ended 30 June 2018 Unaudited £'000	Total Year Ended 31 December 2018 Audited £'000
REVENUE	5a – 5c	3,605	4,391	8,850
Cost of sales		(1,890)	(2,068)	(4,042)
GROSS PROFIT		1,715	2,323	4,808
Administrative expenses		(2,210)	(2,117)	(4,745)
PROFIT/(LOSS) FROM OPERATIONS	5a – 5c	(495)	206	63
Profit/(Loss) from operations before share options charges		(424)	311	281
Share options charges		(71)	(105)	(218)
Investment revenue		3	2	4
Foreign exchange gain		8	8	17
PROFIT/(LOSS) BEFORE TAXATION		(484)	216	84
Taxation	6	-	-	59
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		(484)	216	143
Basic earnings/(loss) per share - pence	7	(20)	9	6
Diluted earnings/(loss) per share - pence	7	(20)	9	5

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**
As at 30 June 2019

		At 30 June 2019 Unaudited £'000	At 30 June 2018 Unaudited £'000	At 31 December 2018 Audited £'000
	Note			
NON-CURRENT ASSETS				
Other intangible assets	8	931	891	918
Property, plant and equipment	9	179	161	185
		<u>1,110</u>	<u>1,052</u>	<u>1,103</u>
CURRENT ASSETS				
Inventories	10	548	861	955
Trade and other receivables	11	1,232	1,555	873
Cash and cash equivalents		1,731	2,307	2,614
		<u>3,511</u>	<u>4,723</u>	<u>4,442</u>
TOTAL ASSETS		<u><u>4,621</u></u>	<u><u>5,775</u></u>	<u><u>5,545</u></u>
CURRENT LIABILITIES				
Trade and other payables	12	1,281	2,063	1,792
		<u>1,281</u>	<u>2,063</u>	<u>1,792</u>
TOTAL LIABILITIES		<u><u>1,281</u></u>	<u><u>2,063</u></u>	<u><u>1,792</u></u>
NET ASSETS		<u><u>3,340</u></u>	<u><u>3,712</u></u>	<u><u>3,753</u></u>
EQUITY				
Share capital		118	118	118
Share premium account		805	793	805
Capital redemption reserve		4	4	4
Share options reserve		314	214	316
Translation reserve		(85)	(85)	(85)
Retained profits		2,184	2,668	2,595
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND TOTAL EQUITY		<u><u>3,340</u></u>	<u><u>3,712</u></u>	<u><u>3,753</u></u>

The interim statements were approved by the Board on 11 September 2019.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)
Declan L Brown (Group Finance Director)
11 September 2019

**CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY**

As at 30 June 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserve £'000	Retained earnings £'000	TOTAL EQUITY £'000
Unaudited							
Balance at 1 January 2019	118	805	4	316	(85)	2,595	2,595
Share options issued in share based payments	-	-	-	71	-	-	71
Cancellation of time expired share options	-	-	-	(73)	-	73	-
Transactions with owners	-	-	-	(2)	-	73	71
Loss for the period	-	-	-	-	-	(484)	(484)
Total comprehensive income for the period	-	-	-	-	-	(484)	(484)
Balance 30 June 2019	118	805	4	314	(85)	2,184	3,340
Unaudited							
Balance at 1 January 2018	117	740	4	219	(85)	2,342	3,337
Issue of share capital	1	53	-	-	-	-	54
Share options issued in share based payments	-	-	-	105	-	-	105
Cancellation of time expired share options	-	-	-	(110)	-	110	-
Transactions with owners	1	53	-	(5)	-	110	159
Profit for the period	-	-	-	-	-	216	216
Total comprehensive income for the period	-	-	-	-	-	216	216
Balance 30 June 2018	118	793	4	214	(85)	2,668	3,712

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserves £'000	Retained earnings £'000	TOTAL EQUITY £'000
Audited							
Balance at 1 January 2018	117	740	4	219	(85)	2,342	3,337
Issue of share capital	1	54	-	-	-	-	55
Share options issued in share based payments	-	-	-	218	-	-	218
Exercise of share options	-	11	-	(11)	-	-	-
Cancellation of time expired share options	-	-	-	(110)	-	110	-
Transactions with owners	1	65	-	97	-	110	273
Profit for the year	-	-	-	-	-	143	143
Total comprehensive income for the year	-	-	-	-	-	143	143
Balance 31 December 2018	118	805	4	316	(85)	2,595	3,753

**CONSOLIDATED STATEMENT
OF CASH FLOWS**
For the period ended 30 June 2019

	6 Months Ended 30 June 2019 Unaudited £'000	6 Months Ended 30 June 2018 Unaudited £'000	Year ended 31 December 2018 Audited £'000
(Loss)/profit from operations	(495)	206	63
Adjustment for:			
Amortisation and impairment of intangible assets	148	145	290
Depreciation of property, plant and equipment	29	29	57
Share based payments	71	105	218
Foreign exchange	5	8	16
Operating cash flows before movement of working capital	(242)	493	644
Decrease/(increase) in inventories	407	(63)	(158)
(Increase)/decrease in receivables	(414)	(220)	521
(Decrease)/increase in payables	(512)	(8)	(277)
Cash utilised in operations	(761)	202	730
Corporation tax (paid)/received	59	-	-
Net cash inflow/(outflow) from operating activities	(702)	202	730
Cash flows from investing activities			
Interest received	3	2	4
Investment in intangible assets	(161)	(122)	(293)
Purchase of property, plant and equipment	(23)	(68)	(120)
Net cash used in investing activities	(181)	(188)	(409)
Net (decrease)/increase in cash and cash equivalents	(883)	14	321
Cash and cash equivalents at beginning of period	2,614	2,293	2,293
Cash and cash equivalents at end of period	1,731	2,307	2,614

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2019

1. CORPORATE INFORMATION

The financial information for the year ended 31 December 2018 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2018 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The interim results are unaudited. Biome Technologies plc is a public limited company incorporated and domiciled in England & Wales. The Company's ordinary shares are publicly traded on the AIM market of the London Stock Exchange.

2. BASIS OF PREPARATION

These interim consolidated financial statements (the interim financial statements) are for the six months ended 30 June 2019. They have been prepared in accordance with IFRSs as adopted by the European Union and IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018.

These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2018 except for the adoption of IFRS 16 as described below.

On 1 January 2019, the Group adopted IFRS 16 'Leases' which supersedes IAS 17 'Leases'. The Group has adopted the 'Modified retrospective application' which means there is no restatement of the comparative period but there is an opening adjustment to retained earnings as at 1 January 2019 to account for any lease costs taken in 2018 that need to be reclassified to 2019. Following a review of all leases, it has been determined that no opening adjustments with respect to the adoption of IFRS 16 are required. This is due to the main lease for the property having less than one year to expiry.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the interim financial statements.

3. BASIS OF CONSOLIDATION

The Group interim financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 30 June 2019. At 30 June 2019, the subsidiary undertakings were Biome Bioplastics Limited, Stanelco RF Technologies Limited, Aquasol Limited and InGel Technologies Limited.

4. GOING CONCERN

The directors have reviewed forecasts and budgets for the coming 12 months, which have been drawn up with appropriate regard for the current macroeconomic environment and the particular circumstances in which the Group operates. As a result of this process, the directors are satisfied that the Group has sufficient resources to continue in operational existence for at least one year from the date of approval of the interim report.

5a. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2019

	Bioplastics 6 Months Ended 30 June 2019 £'000	RF Technologies 6 Months ended 30 June 2019 £'000	Central Costs 6 Months ended 30 June 2019 £'000	Total 6 Months Ended 30 June 2019 £'000
Unaudited				
Revenue from external customers	1,442	2,163	-	3,605
(LOSS)/PROFIT FROM OPERATIONS	(344)	584	(735)	(495)
Investment revenue				3
Foreign exchange gain				8
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS				(483)
TOTAL ASSETS	2,088	717	1,816	4,621

5b. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2018

	Bioplastics 6 Months ended 30 June 2018 £'000	RF Technologies 6 Months Ended 30 June 2018 £'000	Central Costs 6 Months ended 30 June 2018 £'000	Total 6 Months Ended 30 June 2018 £'000
Unaudited				
Revenue from external customers	932	3,459	-	4,391
(LOSS)/PROFIT FROM OPERATIONS	(345)	1,279	(728)	206
Investment revenue				2
Foreign exchange gain				8
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS				216
TOTAL ASSETS	1,940	1,931	1,904	5,775

5c. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2018

	Bioplastics Year ended 31 December 2018 £'000	RF Technologies Year ended 31 December 2018 £'000	Central Costs Year ended 31 December 2018 £'000	Total Year ended 31 December 2018 £'000
Audited				
Revenue from external customers	1,890	6,960	-	8,850
(LOSS)/PROFIT FROM OPERATIONS	(792)	2,601	(1,746)	63
Investment revenue				4
Foreign exchange gain				17
PROFIT BEFORE TAXATION FROM OPERATIONS				84
Taxation				59
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS				143
TOTAL ASSETS	1,846	945	2,754	5,545

6. TAXATION

The Group's policy is to recognise tax credits resulting from tax research and development claims on a cash received basis. The claim in respect of the year ended 31 December 2018 has not yet been settled and there is therefore no tax credit recognised in the period under review.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the loss attributable to the equity holders of the parent for the six months of £484,000 (2018: profit of £216,000) and a weighted average of 2,365,188 (2018: 2,352,465) ordinary shares in issue. The calculation uses the same weighted average number of shares under the basic and diluted basis in the current period due to a loss being made.

Diluted earnings per share for the six months ended 30 June 2018 were based on a weighted average of 2,485,111 ordinary shares (31 December 2018: 2,782,194 ordinary shares) which accounts for all share options which are in the money, regardless of whether they have yet vested.

8. OTHER INTANGIBLE ASSETS

Other intangible assets increased in the period as a result of the capitalisation of product development costs of £161,000 exceeding the amortisation charge of £148,000.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment decreased in the reporting period as a result of the depreciation charge for the period of £29,000 exceeding the purchase of property, plant and equipment of £23,000.

10. INVENTORIES

The decrease in inventories during the reporting period reflects the decrease in equipment orders under construction within the Stanelco RF division.

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables have increased during the reporting period mainly due to the increases in trade debtors within both the Biome Bioplastics and Stanelco RF divisions and reflects the timing of invoicing and shipments around the period end.

12. TRADE AND OTHER PAYABLES

The decrease in trade and other payables during the reporting period primarily reflects the decrease in activity levels, and equipment sale deposits, within the Stanelco RF division.

13. RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the business activities of the Group are detailed in the Strategic Report which can be found on pages 6-12 of the Annual Report and Financial Statements for the year ended 31 December 2018 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at www.biometechnologiesplc.com

The directors consider that the risks affecting the business remain the same as in the Annual Report. In summary, these risks include:

- changes in the regulatory environments in which the Group operates
- fluctuations in exchange rates
- volatility in raw material prices and supply
- breach of intellectual property rights
- competitors developing more attractive products
- failure to commercialise products
- reliance on a small number of customers for certain products
- financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk.

Further details of how these risks impact the business and how the directors attempt to mitigate the risks can be found in the Annual Report.

Copies of this interim report will be shortly available on the Company's website at www.biometechnologiesplc.com.

INDEPENDENT REVIEW REPORT FOR BIOME TECHNOLOGIES PLC

Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report of Biome Technologies Plc (the 'company') for the six months ended 30 June 2019 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express a conclusion to the company on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Use of our report

This report is made solely to the company as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state therein in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our review work, for this report, or for the conclusion we have formed.

GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS

SOUTHAMPTON
11 September 2019