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30 January 2020

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

Trading statement

Board change

Biome Technologies plc, a leading bioplastics and radio frequency technology business, today provides an unaudited pre-close trading statement for the financial year ended 31 December 2019.

Group revenues for the year ended 31 December 2019 of £7.4m (2018: £8.9m) were slightly ahead of market expectations, as were cash balances of £2.1m (31 December 2018: £2.6m). The Board therefore anticipates the Group to generate a slightly reduced loss before interest, taxation, depreciation, amortisation and share option charges for the year ended 31 December 2019 compared to market expectations.

Bioplastics Division

The division's revenues for the full year to 31 December 2019 were £3.4m, which were ahead of market expectations and 79% higher than full year 2018 revenues of £1.9m. Revenues in Q4 were £1.1m, representing the fourth consecutive quarter of growth and were 175% ahead of the prior year comparative (Q4 2018: £0.4m).

Revenues in Q4 again reflected both strong underlying demand for existing bioplastic materials and growing demand for new materials being sold into the broader coffee and nutrition sectors.

Turnover in this division is anticipated to grow again substantially in 2020 as a number of these new bioplastics applications come on stream.

Stanelco RF Technologies Division

Revenues in the RF Technologies division in Q4 were £1.2m (Q4 2018: £1.5m), resulting in revenues for the full year to 31 December 2019 of £4.0m, which is in line with market expectations and below the exceptional level of the 2018 comparative of £7.0m.

The division's principal activity is the sale of furnaces for the production of fibre optic cable. The division undertakes ongoing analysis of the fibre optic cable market and this indicated that prices of such cable began to fall in late 2018 and continued to fall subsequently in the face of global over-capacity. As a result, and as previously reported, the Board's expectation for the division's performance during 2019 was reduced in line with that intelligence. This over-capacity shows no sign of abating and any recovery in demand is now not anticipated until 2021.

Given the above and the current absence of any large contracts which generally secure revenues in the division in any given year, the Board believes it prudent to reduce its expectations for this division in 2020. The overhead costs within the division have been and are being addressed appropriately.

Group Performance

Total Group revenues in Q4 were £2.3m (2018: £1.9m), taking Group revenues for the full year to 31 December 2019 to £7.4m (2018: £8.9m), with the large increases in the Bioplastics division's revenues not quite offsetting the decrease in revenues in the RF division.

The Group's cash position as at 31 December 2019 was £2.1m (30 September 2019: £0.6m). In Q4, the cash position was increased by the previously announced share placement of £1.2m (net of costs), to support the anticipated rapid growth of the bioplastics division. The remaining change in the Group cash position was a combination of positive working capital movements and trading performance in the quarter.

Board and Management

The Board also announces that Declan Brown, Group Finance Director, has decided to leave the Company at the end of April for a new challenge. He has helped the Company enormously over the past six years, particularly in setting in place the foundations for the Bioplastics business. The Board wishes him well.

A replacement for the Finance Director post will be sought over the coming months. In the meantime, the Board will engage a temporary, experienced executive to ensure that this important role in the Biome team is adequately resourced.

Group Outlook

The Bioplastics division is anticipated to become the dominant division of the Group in 2020 and beyond. However, the lowering of the Board's expectations for revenues in the RF division referred to above will have a consequential impact on Group EBITDA in the year to 31 December 2020. As a result, the Board now anticipates that the Group will continue to be loss making at the EBITDA level in the 2020 financial year. Cash is anticipated to remain in line with the current market expectations for the 2020 year end, as working capital requirements are reduced in RF and working capital levels in Bioplastics are expected to benefit from the efficiencies of new product synergies.

The outlook for 2021 is good and the Group is demonstrating the necessary impetus towards positive earnings before interest, taxation, depreciation, amortisation and share options charges and cash generation. We expect the Bioplastics division to continue to benefit from an increased number of materials and a growing portfolio of applications, whilst also anticipating the RF division to show some modest recovery.

- 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 following 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

These KPIs were set with attainment at the end of a three year period in mind.

www.biometechnologiesplc.com

www.biomebioplastics.com and www.thinkbioplastics.com

www.stanelcorftechnologies.com