

27 June 2016

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 month period ending 30 June 2016. This update is being made ahead of the period end and in place of the trading update scheduled for the end of July. The interim results are expected to be announced on 31 August 2016.

Trading Update

Total Group revenues for the first half are expected to be £2.2m (H1 2015 £2.1m). Whilst this revenue is marginally ahead of last year’s performance, it is below that of the Board’s expectations. This shortfall is due to a reduced demand for already commercialised products in the Bioplastics Division and some slippage of the Stanelco RF’s division’s order pipeline into the second half.

The Group's cash position at 27 June 2016 is £1.0m (31 March 2016: £1.6m) reflecting the current trading activity and timing of anticipated cash receipts from work in progress in the Stanelco RF division.

Bioplastics Division

Revenues generated by the Bioplastics Division in the first half of 2016 totalled £0.6m (H1 2015 £1.0m). It was noted in the trading update of 25 April 2016 that revenues in the Bioplastics division in the first quarter of 2016 were £0.2m (Q1 2015: £0.5m) reflecting the timings of campaign production runs of packaging and lidding materials for the US single-serve coffee market (coffee pods). Whilst revenues recovered in Q2 2016 to £0.4m with some additional campaigns, it had been expected by the Board that this recovery would be stronger.

Biome has been developing a suite of related materials to enable coffee pod producers to sell biodegradable end products to the US consumer market. This is an important advance for the market and has received supportive media comment. The materials Biome has been developing comprise the outer packaging and the lid, ring and “non-woven” filter of the pod. Each part has entailed significant development cost both in time and in production testing and we have worked in a collaborative way with the manufacturers of the pods and packaging in the US to achieve success. The packaging and lid materials have completed their development stages and have been in full production from the middle of last year. The ring and filter materials are in the advanced stages of development and we expect to move into commercialisation by the end of this year with these materials. Whilst the second half of this year should be favourably impacted as the ring reaches its commercialisation phase, it has now become clear that the inflexion point of significant revenue generation will be later in the half year than the Board has previously expected as Biome’s customers complete their own work to industrialise this innovative product.

Throughout this broad programme, Biome has been continually re-assessing the likely demand for the portfolio of the Bioplastics division’s materials, although this is made difficult by fluctuating underlying market growth, the rise in demand for such bio-degradable products as they become available and, contrarily, improving efficiencies in our customers’ production processes. The Group has just completed such a review and the Board continues to believe that the long-term outlook for these products remains very positive. In the short term, however, it believes the likely demand will be less than originally thought. This will result in a near-term fall in anticipated revenues. A similar review will be undertaken at the end of August, prior to the Group’s Interim Statement.

Stanelco RF Technologies Division

Revenues for this division in the first half of 2016 were £1.6m (2015: £1.3m), slightly behind the Board’s expectations. Whilst a number of the prospective orders for the second half are still being finalised, the division has a healthy enquiry book forward into 2017.

Group Outlook

Group revenues at the mid-year point are behind the Board's expectations. Whilst margins have been robust and the operating loss for the period is anticipated to be lower than for the same period in 2015, it will be behind the Board's expectations.

Whilst the Board is confident that revenue growth should accelerate in the second half of the year, it is now likely that the Group's full year performance will be significantly behind current market expectations, with the Board now expecting Group revenues for the year to 31 December 2016 to be only marginally ahead of those achieved in the prior year.

- 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)

Chris Crawford/Kelly Gardiner (Broker)

www.allenbycapital.com

Tel: +44 (0) 20 3328 5656

FTI Consulting

Oliver Winters

www.fticonsulting.com

Tel: +44 (0) 20 3727 1535