

23 May 2013

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

Settlement with landlord in respect of leases

Introduction

At the time of the Company's preliminary results in March 2013, it was stated that the legacy long leases on three buildings in Southampton remained a significant drag on the path towards long term sustainability for Biome, and that the Board was exploring a number of strategies that might lessen this commitment. Whilst attempts have been made previously to mitigate these costs through sub-leasing this has resulted in minimal income in the past two years. The Company is therefore pleased to announce a settlement with the landlord in respect of leases on two of the three buildings in Southampton (the "Settlement").

The Settlement

Under the terms of the Settlement, the Company will pay a cash sum of £895,000, plus VAT to the landlord to settle all ongoing liabilities and dilapidations in relation to the two properties.

The two buildings relinquished were under lease until December 2021; they have a total area of 35,995 square feet and have not been used by the Company since the initial leasing arrangement in 2006. The Company's lease over its remaining property of 8,000 square feet, which it currently occupies, will continue until September 2019. The remaining building is suitable in scale for the Company's activities in Southampton for the foreseeable future.

The Settlement removes a gross lease obligation to the Company worth at least £3,200,000 in lease, service charges, insurance, dilapidations and rates over the course of the eight years remaining on the leases for the two buildings.

By reaching agreement on the Settlement, the Board has resolved a legacy issue for the Company which was likely to prove an ongoing operational distraction and financial drain.

-Ends-

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