Biome Technologies
Investment Case

September 2020
Disclaimer

The information contained in this presentation (the "Presentation") has been prepared by and is the sole responsibility of the directors of Biome Technologies PLC (the "Company"). The Presentation and any further confidential information made available to any recipient, either verbally or in writing, must be held in complete confidence and documents containing such information may not be reproduced, used or disclosed without the prior written consent of the Company. The Presentation shall not be copied, reproduced or distributed in whole or in part at any time. The information contained in the Presentation is not intended to be viewed by, or distributed or passed on (directly or indirectly) to, and should not be acted upon by any class of person other than (i) qualified investors (within the meaning of the Prospectus Directive 2003/71/EC) and (ii) investment professionals falling within Article 19(5) and high net worth companies falling within Article 49(2) respectively of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (or persons to whom it may otherwise be lawfully communicated) and may only be supplied, if permitted by applicable law, outside the United Kingdom to professionals or institutions whose ordinary business involves them engaging in investment activities (together "Relevant Persons"). Persons who are not Relevant Persons should not attend the Presentation or rely on or act upon the matters communicated at the Presentation.

The Presentation does not constitute a prospectus relating to the Company; it has not been approved by the Financial Conduct Authority, nor does it constitute or form part of any offer to sell, or the solicitation of any such offer or invitation to subscribe for, underwrite or buy, any shares in the Company or any of its affiliates to any person in any jurisdiction, nor shall it nor any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

No reliance may be placed for any purpose whatsoever on the information contained in the Presentation or any assumptions made as to its completeness. The information contained in the Presentation, which has not been independently verified, is for background purposes only and is subject to verification, updating, revision and amendment and completion without notice. This Presentation does not purport to be all-inclusive or to contain all the information that an investor may desire to have in evaluating whether or not to make an investment in the Company.

Certain statements in the Presentation are forward-looking statements, and the Presentation itself has been based upon a number of assumptions, forecasts and projections which by their nature are forward looking. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "anticipate", "plans" or "assumes" or similar expressions, or by discussions of strategy that involve risk and uncertainties. By their nature, forward-looking statements, assumptions, forecasts and projections involve a number of risks and uncertainties, and in some cases are based on estimates and incomplete information, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements or by the Presentation as a whole. These risks and uncertainties, and the impact they have on the assumptions, forecasts and projections contained in the Presentation, could adversely affect the outcome and financial effects of the plans and events described herein.

No representation or warranty, express or implied, is made or given by or on behalf of the Company or its directors or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document and no responsibility or liability is accepted to any recipient for any such information or opinions. Notwithstanding this, nothing in this paragraph shall exclude liability for any such representation or warranty made fraudulently.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any such distribution could result in a violation of the law of such jurisdictions. Neither this document nor any copy of it may be taken or transmitted into the United States, Canada, Japan and the Republic of Ireland or distributed to the United States, Canada, Japan or the Republic of Ireland or to any national, citizen or resident thereof or any corporation, partnership or other entity created or organised under the laws thereof.
Investment case

- Environmental issues continuing to drive public awareness and consumer brands to seek alternatives to oil based plastics.

- High customer product specifications, with limited competition drive higher margin environment

- Bioplastic division achieved 2020 H1 revenue growth of 71% over 2019 H1 despite having to overcome issues arising from Covid-19 and lockdowns

- Revenue growth coming from sales to established customers including in the huge US take home coffee pod market as well as new products

- Significant further revenue growth opportunities from sales of new products to existing customers and all products to new customers

- Established management team with disciplined cost and capex controls, strong Board governance

- Placing in September 2020 will provide funds which together with existing resources (Group has no debt) will enable the Group to pursue these further growth opportunities this year and next.
Overview

• Biome Technologies plc is a growth-oriented, commercially-driven technology group listed on the AIM market.

• The Group comprises two distinct leading-edge technology divisions:
  — Biome Bioplastics in the rapidly-developing market for bioplastics
  — Stanelco RF Technologies in the specialised field of radio-frequency heating equipment.

• Both divisions have a track record of commercialising technology for customer-led applications in markets with significant growth opportunities.

• The Group’s strategy is to build market-leading positions based on patented technology or know-how, and serve international customers in high-value market sectors.
Group profile

Listed on the AIM market, the international market for growing companies trading on the London Stock Exchange, allowing both existing and new shareholders to participate in our growth.

Core strategy is to develop its bioplastics business organically through the exploitation of higher value areas where the properties of bioplastic materials are most suitable and valued.

Engaged with a variety of large-scale international customers and partners on a number of key commercial and development partnerships.

Protects its existing intellectual property in a robust manner and protects new developments through patents and confidentiality.

Driving an international expansion of activities and now operates in Europe, North America and Asia. Headquarters and R&D activity is based at Southampton in the UK.

Robust ethical and governance policies and a Board committed to driving enhanced shareholder value.
KPIs (updated September 2020)

The Board adopted ambitious KPIs for the 2018–2020 objective cycle. These have been adjusted and extended to end 2023 reflecting the continued progress of the Bioplastics division and the headwinds facing RF:

— 40%* annual revenue growth in the Biome Bioplastics division

— Bioplastics division’s profitable revenue growth to achieve a 10%-12.5%** EBITDA margin by the end of the KPI period

— Continued diversification of the Group’s turnover by product and market to ensure that no single product or end customer contributes more than 15% of revenues by 2023

— Continued 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

The Board will continue to measure the Group’s performance against these KPIs and report to shareholders annually on progress

*Exclusive of grant income  **This target includes a re-allocation of cost from the “centre” to the Bioplastics division (in 2019 this would have resulted in an additional £410k charge)
Group businesses support global trends

**BIOME BIOPLASTICS**

Tackling the global plastics problem

Our materials have delivered **over half a billion** compostable coffee pods in the last year alone

**STANELCO RF TECHNOLOGIES**

Supporting global internet connectivity

Our latest equipment supports the rollout of over **100 million km** of optical fibre each year
Bioplastics: A market in the spotlight

• Plastics continue to be in the global spotlight for their CO₂ emissions during manufacture and their environmental damage on disposal

• Biobased and biodegradable plastics are being seen as an important part of the solution. Consumers are demanding changes

• The nexus of interest for compostable plastic packaging is where such materials support the collection of food-waste

• The global market for bioplastics is predicted to grow by over 20% CAGR over the next five years*

• The Bio-based and Biodegradable Industries Association (BBIA) has reported that the UK market doubled since 2017

• A series of factors (including price) prevent ubiquitous immediate adoption but provide a variety of fast-growing, non-commodity niches in which Biome can prosper

Global initiatives indicate market changes

- US Plastics Pact by major brands has target to recycle or compost 50% of plastic packaging by 2025

- US Plastics Pact targets recycling of bio-based content of plastic packaging to be 30% by 2025

- UK Plastics Pact* targets 100% of plastic packaging to be reusable, recyclable or compostable by 2025

- UK Government’s bioeconomy strategy highlights biodegradable and bio-based packaging

- UK to mandate universal food waste collection by 2023—developing route for compostables

*Coalition of companies that account for some 80% of consumer packaging in the UK
Bioplastics: Biome’s business

www.biomebioplastics.com and www.thinkbioplastic.com

• Develops and manufactures bioplastic compounds, using bio-based/biodegradable polymers, natural materials and other additives

• Works with customers in 2-4 year development cycles to deliver highly differentiated products

• Capability based on extensive knowledge of sector and material performance developed over the last 11 years

• Low capex manufacturing model using contracted manufacturing facilities in Europe/US allows rapid scale-up

• Portfolio of commercialised products includes barrier packaging for coffee, high temperature rigid materials and non-woven filtration products

• Strong focus on the US market where brand interest, volumes of scale and supportive composting infrastructure are already in place

• Pipeline of ~20 key development projects with a customer group that ranges from mid-size to multi-nationals
Bioplastics:
R&D product pipeline

• Extensive R&D on the production of novel bio-based and biodegradable hetero-aromatic polyesters to further differentiate our product range

• Seven years and over £6.0m of funding with leading Universities aimed at commercialising these polyesters. Four patent applications filed in major markets

• Materials feature differentiated performance and potential for a lower cost base than existing alternatives. Input monomers to be manufactured from organic waste using engineered bacteria

• UK government funding in this space is in line with environmental and clean-growth goals; Biome has demonstrated ability to win supportive grant funding

• August 2020 award of £253,000 from the UK Government’s Innovate UK to support a collaborative project with the University of Nottingham to scale-up these materials over the next 18 months

• This development pipeline represents an opportunity to further differentiate the Group’s product offering in the medium term based on proprietary technology
# Key Bioplastics projects launched 2019/20

<table>
<thead>
<tr>
<th>Project</th>
<th>Application</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee pod</td>
<td>A new material for a coffee pod in the US coffee market that is heat stable (contract)</td>
<td>Revenues started Q3 2019 as anticipated and are now consistently ahead of our earlier expectations</td>
</tr>
<tr>
<td>Nutrition pod</td>
<td>A new material for a single serve nutrition pod being manufactured in Switzerland and launched in the US market</td>
<td>Revenues started Q2 2019 and were expected to step-up in 2020. Closure of US gyms due to Covid-19 has stopped progress in last 6 months. Customer refocusing to online sales</td>
</tr>
<tr>
<td>Film</td>
<td>Existing materials deployed in a number of plastic film products for a US customer (manufactured in Germany)</td>
<td>Revenues started Q2 2019 and have made consistent progress with a broader set of customers</td>
</tr>
</tbody>
</table>
Key projects 2021 and beyond

We have a clear growth trajectory for the Bioplastics division in 2021 that rests (in most part) on substantial extensions of positions with existing customers:

<table>
<thead>
<tr>
<th>Project</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing customer growth</td>
<td>Continued growth of existing customers with existing products (flexible film in both industrial and particularly home compostable formats) for North American market</td>
</tr>
<tr>
<td>Filtration mesh</td>
<td>Growth with a second end-customer in material that has been proven with an existing customer over the last 3 years. Implementation underway (the customer is already a user of Biome’s film products)</td>
</tr>
<tr>
<td>Coffee pod material</td>
<td>Continued growth of a heat stable material for coffee pods in the US. Launched end 2019 and gaining momentum</td>
</tr>
<tr>
<td>Packaging film</td>
<td>Seven new customer projects that are conversions of flexible packaging to compostable formats (six in North American market)</td>
</tr>
</tbody>
</table>
Stanelco RF Technologies

- Specialist OEM engineering business developing radio frequency (RF) welding, heating and furnace technology and equipment
- International market-leading position in the furnace market for fibre-optic cable production
- Fibre-optic furnaces are used for the controlled melting of glass at >2000°C, a process required for the production of transparent optical fibres
- These furnaces are an important part of the 5G mobile technology rollout and global data infrastructure for the internet
- Significant fibre-optic expansion by Stanleco’s customers to 2018/2019 was followed by a softening in expected demand as FTTP and 5G rollouts have been delayed for geopolitical reasons
- Covid-19 has further impacted demand as telecommunication companies have slowed fibre-optic deployment
Stanelco RF: Strategy and Potential

- Team making concerted effort to increase Stanelco’s geographical footprint and diversify range of applications
- Stanelco now benefits from repeat revenues from power generation, medical and general industrial markets, primarily in the UK
- Further diversified revenues will take time to build and in the near term are unlikely to be of the scale enjoyed in the fibre-optic furnace market
- Whilst Covid-19 is expected to enhance fibre infrastructure requirements in the longer term – there is no clear visibility on the timing of such build-outs at present
The Board
The Board

**John Standen**  
Non-Executive Chairman

John became our Non-Executive Chairman in 2007. John has recently been Non-Executive Chairman of Lavendon Group plc. He was Chairman of the Council of Hull University for seven years until retiring in April 2013. John was previously Non-Executive Chairman of Reg Vardy plc until its sale in 2006. He spent his career in corporate finance and was Chief Executive of BZW Corporate Finance before retiring from Barclays Bank plc in 1998.

---

**Paul Mines**  
Chief Executive Officer

Paul was appointed CEO in 2007. An engineer with an MBA from London Business School, Paul spent his earlier career at ICI plc and Courtaulds plc and has 20 years experience in the plastics and packaging industry, managing high growth markets, turnarounds and M&A. For the eight years to 2006, Paul was CEO of the Betts Group, having led a management buy-out of the company from Courtaulds plc.

---

**Michael Kayser**  
Independent Non-Executive Director

Michael was appointed as Non-Executive Director on 7 October 2010 and chairs the Audit and Remuneration Committees. His previous experience includes Group Finance Director at Laporte PLC for five years, Finance Director of Guinness Brewing Worldwide and Non-Executive Director of Stobart Group plc and Chairman of their Audit Committee.
Contact

Address
Biome Technologies plc
North Road
Marchwood
Southampton
SO40 4BL

Call Us
+44 (0) 2380 867100

Email Us
info@biometechnologiesplc.co.uk

Read About Us
www.biometechnologiesplc.com
www.biomebioplastics.com and www.thinkbioplastic.com
www.stanelcorftechnologies.com
Biome’s innovative bioplastic and radio frequency technology and commercial positioning provides an exciting platform for further growth and shareholder returns.

—Paul Mines, CEO