

This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.

1 July 2021

Biome Technologies plc

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

Trading Update

Biome Technologies plc, a leading bioplastics and radio frequency technology business, today provides a Trading Update.

Bioplastics Division

On 23 March 2021, the Company announced that it had secured an anticipated contractual commitment with a second US end-customer to accelerate the commercialisation of its proprietary compostable coffee-pod filtration material and that this important customer's business would support a significant portion of the Group's expected revenue growth in 2021 and beyond. At that time the customer also ordered equipment from the Group to enable the deployment of Biome's filtration material on a significant portion of their production capacity. The initial installation of this equipment proceeded rapidly and an uplift of filtration material purchases began in the second quarter of 2021. Recently, however, the customer has discovered an unexpected constraint within its factory services that is currently limiting the scale of deployment. Whilst the customer has already identified an engineering solution to remove this constraint, it has become clear to Biome that it will now take some months for the customer to design and install the necessary modifications. The Board of Biome (the "Board") now believes that this single delay will have a significant impact on the Group's expected growth in the nearer term.

The overwhelming majority of the revenues and development opportunities for Biome's Bioplastics division lie in the United States. The division's final products are manufactured both in Europe and the USA with raw materials sourced from around the world, which means that the business has a significant reliance on containerised ocean shipping. The COVID-19 pandemic has resulted in very significant disruption to the global shipping industry, with significant ongoing delays and cancellations now occurring more frequently. Biome is not immune to these forces, and the delays are now proving a significant constraint on the division's ability to quickly undertake the multiple development iterations that are required to support growth with new customers. There is no sign that the current severe level of disruption with shipping and ports will be resolved soon and the Board believes that a more conservative view is now required in relation to the rate of commercialisation of a number of these opportunities under the current circumstances.

It is pleasing that the demand for the division's products remains robust and there have been important additions to the customer list and the division's pipeline of development opportunities in the first half of 2021. Whilst the division's rate of growth will be constrained by the factors described above in the shorter-term, the Board expects a return to the higher rates of growth indicated in its Key Performance Indicators (KPIs) in due course.

Stanelco RF Technologies Division

The encouraging signs of a modest pick-up of activity within this division's core fibre optic furnace market continue and the Board's expectations of its trading for the current year are unchanged.

Group Outlook

As a consequence of the factors described above in relation to the Bioplastics division coupled with the adverse impact of exchange rates on this division's US Dollar revenues, the Board now believes that Group revenues for the years ending 31 December 2021 and 2022 will be materially below current market expectations.

The Board also believes that Group losses before interest, taxation, depreciation, amortisation and share option charges ("Underlying LBITDA") for the year ending 31 December 2021 will be greater than current market expectations and that the Group will make an Underlying LBITDA for the year ending 31 December 2022. The Board believes that the anticipated year-end cash position as at 31 December 2021 will remain materially unchanged relative to current market expectations, with the increased Underlying LBITDA being offset by reduced administrative costs and less intensive working capital utilisation. As at 30 June 2021, the Group had an unaudited cash balance of £1.3 million and no debt.

The Board believes that Biome will continue to see growth in both of its divisions during 2021 and 2022 relative to the year ended 31 December 2020. Demand for our products remains strong and, once our customer's factory constraint described above is removed, the Board believes our high rates of growth will return.

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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 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.

www.biometechnologiesplc.com

www.biomebioplastics.com and www.thinkbioplastic.com

www.stanelcoftechnologies.com