

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE INFORMATION IN IT, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN, NEW ZEALAND, SINGAPORE OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("EUWA")) ("UK MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN UK MAR) WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED WITHIN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION (AS DEFINED UNDER UK MAR). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION, WHICH IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

31 March 2023

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

Proposed issue of £850,000 of secured 2026 redeemable Convertible Loan Notes

Related party transactions

and

Notice of General Meeting

Biome Technologies plc, a leading bioplastics and radio frequency technology business, announces that the Company has conditionally raised a total of £850,000 (before expenses) by way of a Convertible Loan Note Fundraise, in two tranches, as to:

- (i) £300,000 of First Tranche CLNs; and
- (ii) £550,000 of Second Tranche CLNs.

The issue of the First Tranche CLNs has completed. The issue of the Second Tranche CLNs and the determination of the interest terms of the First Tranche CLNs are conditional, *inter alia*, upon the Company obtaining the approval of Shareholders of the Resolutions to be proposed at the General Meeting of the Company to be held at 11:00am on 17 April 2023.

No offer or invitation is being made to Shareholders more generally to purchase, acquire or subscribe for any of the Convertible Loan Notes.

It is intended that the aggregate net proceeds of the Convertible Loan Note Fundraise will be used to support the growth of the Group's Bioplastics and RF Technologies divisions towards a position of Group operating cash flow sustainability over time.

Further details of the Convertible Loan Note Fundraising, the background to and reasons for the Convertible Loan Note Fundraising, the use of proceeds, the potential dilutive effect resulting from the Convertible Loan Notes, the General Meeting, the importance of the vote and other matters can be found in the Circular and in Appendix I to this announcement below.

Overview summary of the Convertible Loan Notes

- The Company has raised a total of up to £850,000 (before expenses) by way of the Convertible Loan Note Fundraise, in two tranches as to:
 - (i) £300,000 of First Tranche CLNs; and
 - (ii) £550,000 of Second Tranche CLNs.
- The issue of the Second Tranche CLNs is conditional, inter alia, upon the Company obtaining approval of Shareholders of the Resolutions to be proposed at the General Meeting.
- The Noteholders have participated pro rata across both the First Tranche CLNs and the Second Tranche CLNs.
- Subject to the Convertible Loan Notes' terms, at any time following the issue of the Convertible Loan Notes, Noteholders can:
 - o Convert the First Tranche CLNs at a base price of 80 p per new Ordinary Share, which represents a discount of approximately 3.6 per cent. to the Closing Price of 83 pence per Ordinary Share on 30 March 2023, being the Latest Practicable Date.
 - o Convert the Second Tranche CLNs at a base price of 106 p per new Ordinary Share which represents a premium of approximately 27.7 per cent. to the Closing Price of 83 pence per Ordinary Share on 30 March 2023, being the Latest Practicable Date.
- Noteholders are also able to convert the Convertible Loan Notes at other prices upon certain specified fundraising-related events or Capital Events.
- Subject to the Convertible Loan Note's terms, the Company shall be entitled to convert all or some of the outstanding First Tranche CLNs and Second Tranche CLNs (together with all accrued interest) at the respective base prices of 80 p and 106 p per new Ordinary Share, provided that:
 - o at 30 April 2025, the Closing Price of each Ordinary Share on the Business Day prior to 30 April 2025 is not less than 250 p per Ordinary Share; and
 - o during the three months prior to 30 April 2025, the Closing Price of each Ordinary Share is not less than 225 p per Share.
- Subject to the Convertible Loan Note's terms, the Company shall also be entitled to convert all or some of the outstanding Convertible Loan Notes at other prices upon certain Capital Events.
- The Convertible Loan Notes' interest terms allow for Noteholders to elect, at the point of subscription, for:
 - o a Running Coupon whereby interest of 10% per annum will be paid quarterly; or
 - o an Alternative Coupon option, whereby if the Convertible Loan Notes are redeemed or converted prior to 30 April 2025 then no interest shall accrue or be payable, and to the extent that the Convertible Loan Notes are not redeemed or converted prior to 30 April 2025 then interest will accrue on the principal amount of the Convertible Loan Notes at a rate of 10% from the original issuance date (but shall not compound) and be payable shortly after 30 April 2025 and thereafter interest shall accrue and be payable on the same basis as the Running Coupon.
 - o In addition, for the purposes of certain specified conversion events as set out in the Convertible Loan Note Instrument, Noteholders who elect for an Alternative Coupon shall have the principal value of their Convertible Loan Notes increased by 10% per annum (accruing from day to day on the basis of a 365 day year but not compounding).

- Shareholders should note that in the event that the Resolutions do not obtain the approval of Shareholders at the General Meeting (or an equivalent resolution is not approved by Shareholders at a subsequent general meeting by 30 June 2023), then all Convertible Loan Notes shall receive a Fallback Interest rate, calculated at 20% per annum and payable in arrears.
- The Convertible Loan Notes are secured and unless previously converted or redeemed in accordance with their terms shall be redeemed together with all accrued but unpaid interest on the Long Stop Maturity Date of 30 September 2026.
- However, on and from 30 April 2025, the Noteholders are able to early redeem 5.55% of the original principal amount of their Convertible Loan Notes together with all accrued but unpaid interest per calendar month.
- The Company has given various covenants to the Noteholders pursuant to the Convertible Loan Notes and if there were to be an Event of Default (as defined in the Loan Note Agreement, with summary details provided below), a Noteholder may require the Company to redeem all (but not some) of the principal amount outstanding plus a minimum premium of 25% of this amount, plus accrued coupon.
- The Convertible Loan Notes are transferrable, subject to conditions. No application will be made for the admission of the Convertible Loan Notes to trading on AIM or any recognised securities exchange.

The above represents an overview summary of the Convertible Loan Notes, which have further terms, fuller details of which can be found below.

Related Party Transactions

Mr Vivian Pereira and Mr John Martin Rushton-Turner are subscribing for £250,000 and £300,000 of Convertible Loan Notes respectively. As Mr Pereira and Mr Rushton-Turner each currently hold more than 10 per cent. of the Ordinary Shares, both of the subscriptions for Convertible Loan Notes by them are deemed to be related party transactions pursuant to rule 13 of the AIM Rules for Companies.

The Directors consider, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of subscription for Convertible Loan Notes by Mr V Pereira and Mr JM Rushton-Turner are fair and reasonable insofar as Shareholders are concerned.

Circular

A Circular containing a Notice of General Meeting will be posted shortly to shareholders who have requested to receive a hard copy and will be made available on the Company's website at: www.biometechnologiesplc.com

The above summary should be read in conjunction with the full further text of this announcement and the Circular, extracts from which are set out in the Appendices below. All capitalised terms used throughout this announcement shall have the meanings given to such terms in the Definitions section in Appendix II to this announcement and as defined in the Circular. References to paragraphs below refer to the relevant paragraphs of the Circular and references to 'this document' or to page numbers refer to the Circular. References to numbered 'Parts' below refer to the relevant parts of the Circular.

For further information please contact:

Biome Technologies plc

Paul Mines, Chief Executive Officer

Rob Smith, Chief Financial Officer

www.biometechnologiesplc.com

Tel: +44 (0) 2380 867 100

Allenby Capital

David Hart/Alex Brearley (Nominated Adviser)

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 (“Bioplastic”) and Stanelco RF Technologies Limited (“RF Technologies”).

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.stanelcoftechnologies.com

www.biomebioplastics.com

and

www.thinkbioplastic.com

Appendix I - Extracts from the Circular

Part I

Proposed issue of £850,000 of secured 2026 redeemable Convertible Loan Notes

and

Notice of General Meeting

1. Introduction

On 31 March 2023, the Company announced that it had raised a total of up to £850,000 (before expenses) by way of the Convertible Loan Note Fundraise, in two tranches as to:

(iii) £300,000 of First Tranche CLNs; and

(iv) £550,000 of Second Tranche CLNs.

The issue of the First Tranche CLNs has completed. The issue of the Second Tranche CLNs and the determination of the interest terms of the First Tranche CLNs are conditional, *inter alia*, upon the Company obtaining the approval of Shareholders of the Resolutions to be proposed at the General Meeting of the Company to be held at 11:00am on 17 April 2023.

No offer or invitation is being made to Shareholders more generally to purchase, acquire or subscribe for any of the Convertible Loan Notes.

It is intended that the aggregate net proceeds of the Convertible Loan Note Fundraise will be used to support the growth of the Group's Bioplastics and RF Technologies divisions towards a position of Group operating cash flow sustainability over time. Further details of the background to and reasons for the Convertible Loan Note Fundraise can be found in Section 3 of this Part I below.

The purpose of this letter is to explain to Shareholders the background to and reasons for the Convertible Loan Note Fundraise and to seek their approval of the Resolutions.

2. Overview summary of the Convertible Loan Notes

- The Company has raised a total of up to £850,000 (before expenses) by way of the Convertible Loan Note Fundraise, in two tranches as to:
 - (i) £300,000 of First Tranche CLNs; and
 - (ii) £550,000 of Second Tranche CLNs.
- The issue of the Second Tranche CLNs is conditional, *inter alia*, upon the Company obtaining approval of Shareholders of the Resolutions to be proposed at the General Meeting.
- The Noteholders have participated *pro rata* across both the First Tranche CLNs and the Second Tranche CLNs.
- Subject to the Convertible Loan Notes' terms, at any time following the issue of the Convertible Loan Notes, Noteholders can:
 - Convert the First Tranche CLNs at a base price of 80 p per new Ordinary Share, which represents a discount of approximately 3.6 per cent. to the Closing Price of 83 pence per Ordinary Share on 30 March 2023, being the Latest Practicable Date.
 - Convert the Second Tranche CLNs at a base price of 106 p per new Ordinary Share which represents a premium of approximately 27.7 per cent. to the Closing Price of 83 pence per Ordinary Share on 30 March 2023, being the Latest Practicable Date.
- Noteholders are also able to convert the Convertible Loan Notes at other prices upon certain specified fundraising-related events or Capital Events.
- Subject to the Convertible Loan Note's terms, the Company shall be entitled to convert all or some of the outstanding First Tranche CLNs and Second Tranche CLNs (together with all accrued interest) at the respective base prices of 80 p and 106 p per new Ordinary Share, provided that:
 - at 30 April 2025, the Closing Price of each Ordinary Share on the Business Day prior to 30 April 2025 is not less than 250 p per Ordinary Share; and
 - during the three months prior to 30 April 2025, the Closing Price of each Ordinary Share is not less than 225 p per Share.
- Subject to the Convertible Loan Note's terms, the Company shall also be entitled to convert all or some of the outstanding Convertible Loan Notes at other prices upon certain Capital Events.
- The Convertible Loan Notes' interest terms allow for Noteholders to elect, at the point of subscription, for:
 - a Running Coupon whereby interest of 10% per annum will be paid quarterly; or

- an Alternative Coupon option, whereby if the Convertible Loan Notes are redeemed or converted prior to 30 April 2025 then no interest shall accrue or be payable, and to the extent that the Convertible Loan Notes are not redeemed or converted prior to 30 April 2025 then interest will accrue on the principal amount of the Convertible Loan Notes at a rate of 10% from the original issuance date (but shall not compound) and be payable shortly after 30 April 2025 and thereafter interest shall accrue and be payable on the same basis as the Running Coupon.
 - In addition, for the purposes of certain specified conversion events as set out in the Convertible Loan Note Instrument, Noteholders who elect for an Alternative Coupon shall have the principal value of their Convertible Loan Notes increased by 10% per annum (accruing from day to day on the basis of a 365 day year but not compounding).
- Shareholders should note that in the event that the Resolutions do not obtain the approval of Shareholders at the General Meeting (or an equivalent resolution is not approved by Shareholders at a subsequent general meeting by 30 June 2023), then all Convertible Loan Notes shall receive a Fallback Interest rate, calculated at 20% per annum and payable in arrears.
 - The Convertible Loan Notes are secured and unless previously converted or redeemed in accordance with their terms shall be redeemed together with all accrued but unpaid interest on the Long Stop Maturity Date of 30 September 2026.
 - However, on and from 30 April 2025, the Noteholders are able to early redeem 5.55% of the original principal amount of their Convertible Loan Notes together with all accrued but unpaid interest per calendar month.
 - The Company has given various covenants to the Noteholders pursuant to the Convertible Loan Notes and if there were to be an Event of Default (as defined in the Loan Note Agreement, with summary details provided in Part II of this document), a Noteholder may require the Company to redeem all (but not some) of the principal amount outstanding plus a minimum premium of 25% of this amount, plus accrued coupon.
 - The Convertible Loan Notes are transferrable, subject to conditions. No application will be made for the admission of the Convertible Loan Notes to trading on AIM or any recognised securities exchange.

The above represents an overview summary of the Convertible Loan Notes, which have further terms, fuller details of which can be found in Part II of this document.

3. Background to and reasons for the Convertible Loan Note Fundraise

About the Group

Biome is a growth-oriented, commercially-driven technology group that comprises two divisions, Bioplastics and RF Technologies. The Bioplastics division is a leading developer of highly-functional, bio-based and biodegradable plastics. The Bioplastics division's mission is to produce bioplastics that challenge the dominance of oil-based polymers. The RF Technologies division designs, builds and services advanced radio frequency (RF) systems, with a particular focus on the fibre-optics market.

Recent trading and prospects

Further to the Company's announcements of 10 November 2022 and 25 January 2023 and the Board's ongoing policy of providing investors with as clear a view as possible on its expectations for the Company, the Board is pleased to confirm that Q1 2023 trading has been in line with the previous guidance, with some improvement in sales mix that currently indicates that the Group's adjusted loss before interest, tax, depreciation, amortisation and share option charges (LBITDA) and loss before tax for the financial year ending 31 December 2023 is likely to represent an improved position relative to current market expectations, with sales revenue for that financial year being expected to be in line with current market expectations.

The Board is in discussions with a view to Martin Rushton-Turner joining the Board as a non-executive director following the Company's 2023 annual general meeting.

Use of proceeds and fundraising considerations

It is intended that the aggregate net proceeds of the Convertible Loan Note Fundraise will be used to support the growth of the Group's Bioplastics and RF Technologies divisions towards a position of Group operating cash flow sustainability over time.

The Bioplastics division has developed a range of products to support existing customer positions and new business opportunities. The current product and business portfolio is expected to be strengthened, with a variety of projects that are underway. Demand remains strong and the Board intends for the aggregate net proceeds of the Convertible Loan Note Fundraise to support the commercial and technical resources required to deliver growth and build sales margins.

The RF Technologies division has been focussed on growing business outside of its traditional fibre-optic market, so that it is not reliant on a single industry sector. This division has a significant opportunity pipeline and is currently working to convert these opportunities into deliverable orders. The division has typically exhibited uneven cashflows and so to maintain and grow the business sufficient cash resources are required.

The Board has for several months been reviewing the potential funding options that are available to the Company to support the growth of the Group's Bioplastics and RF Technologies divisions and satisfy the Group's medium-term funding needs. Following the conclusion of that review, the Board is of the belief that the issue of the Convertible Loan Notes is the best available option for securing this investment and achieve the requirement for certainty of funding. In particular, the Board considers that the Convertible Loan Notes represent an overall funding solution for the Group's needs that would likely be less dilutive to Shareholders than performing a traditional equity fundraising in the current macroeconomic environment.

4. Details of the Noteholder participations

The Noteholders have also entered into undertakings with the Company whereby each of them has agreed to, save only for the passing of the Resolutions at the General Meeting, unconditionally to subscribe for the following aggregate amount of Convertible Loan Notes:

<i>Subscriber</i>	<i>Aggregate amount of First Tranche CLNs</i>	<i>Aggregate amount of Second Tranche CLNs</i>
Martin Rushton-Turner	£105,882	£194,118
Vivian Pereira	£88,236	£161,764
Brian Geary	£105,882	£194,118
Total	£300,000	£550,000

The Company has received the consideration for the First Tranche CLNs. As at the date of this document, the Company has not received the consideration for the Second Tranche CLNs, although it anticipates to receive such funds following the General Meeting, to allow the issue of the Second Tranche CLNs to the Noteholders in the amounts as set out above to occur following the passing of the Resolutions.

5. Related Party Transactions

Mr Vivian Pereira and Mr John Martin Rushton-Turner are subscribing for £250,000 and £300,000 of Convertible Loan Notes respectively. As Mr Pereira and Mr Rushton-Turner each currently hold more than 10 per cent. of the Ordinary Shares, both of the subscriptions for Convertible Loan Notes by them are deemed to be related party transactions pursuant to rule 13 of the AIM Rules for Companies.

The Directors consider, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of subscription for Convertible Loan Notes by Mr V Pereira and Mr JM Rushton-Turner are fair and reasonable insofar as Shareholders are concerned.

6. Potential dilutive effect resulting from the Convertible Loan Notes

The First Tranche CLNs are capable of being converted by the Noteholders into new Ordinary Shares at a base price of 80 p pence per new Ordinary Share and the Second Tranche CLNs are capable of being converted by the Noteholders into new Ordinary Shares at a base price of 106 p pence per new Ordinary Share.

In the circumstances whereby the entire principal amount of the First Tranche CLNs and applicable Uplift is converted at the base price of 80 p pence per new Ordinary Share this will upon maximum conversion represent 10.2 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there has not been any other share issuances). Accordingly, upon such conversion of the First Tranche CLNs, existing Shareholders that are not interested in Convertible Loan Notes would experience dilution of approximately 10.2 per cent.

In the circumstances whereby the entire principal amount of the Second Tranche CLNs and applicable Uplift is converted at the base price of 106 p pence per new Ordinary Share this will upon maximum conversion represent 13.5 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there has not been any other share issuances). Accordingly, upon such conversion of the Second Tranche CLNs, existing Shareholders that are not interested in Convertible Loan Notes would experience dilution of approximately 13.5 per cent.

In the circumstances whereby the entire principal amount of both the First Tranche CLNs and the Second Tranche CLNs and applicable Uplift is converted at the relevant base prices this will upon maximum conversion represent 21.3 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there has not been any other share issuances). Accordingly, upon such conversion of both the First Tranche CLNs and the Second Tranche CLNs, existing Shareholders that are not interested in Convertible Loan Notes would experience dilution of approximately 21.3 per cent.

The above dilution statistics are illustrative. Shareholders should be aware that the Convertible Loan Notes can also potentially be converted at other prices, including upon certain specified fundraising-related events or Capital Events, further details of which can be found in Parts I and II of this document. Given that such alternative conversion prices are based upon events that have not occurred, the potential dilutive effect resulting from such conversion of the Convertible Loan Notes in these circumstances has not been quantified above.

7. General Meeting

The issue of the Second Tranche CLNs and the determination of the interest terms of the First Tranche CLNs are conditional, *inter alia*, upon the Company obtaining approval of Shareholders of the Resolutions to be proposed at the General Meeting, to provide sufficient authority to satisfy the conversion terms of the Second Tranche CLNs, disapply statutory pre-emption rights which would otherwise apply to the allotment of the new Ordinary Shares that may be issued in order to satisfy the conversion terms of the Second Tranche CLNs.

All Shareholders are encouraged to vote by proxy in accordance with the instructions set out in the Notice of General Meeting. It is particularly important that shareholders vote by proxy. All Shareholders are encouraged to appoint the Chairman of the meeting as their proxy rather than a named person, as they will not be permitted to attend the physical meeting. The Form of Proxy must be received by our Registrar as soon as possible and by no later than 11:00am on 15 April 2023.

A notice convening the General Meeting, to be held at the offices of Osborne Clarke at One London Wall, Barbican, London EC2Y 5EB at 11:00am on 17 April 2023 is set out at the end of this Circular. At the General Meeting, the following Resolutions will be proposed:

1. Authority to allot securities

Resolution one is proposed as an ordinary resolution. This means that, for the Resolution to be passed, more than 50 per cent. of the votes cast must be in favour of the Resolution. Resolution one grants the Directors authority to allot Ordinary Shares, or grant rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal value of £1,027,081. This will enable the Directors to issue the Convertible Loan Notes to the Investors. The authority granted by this resolution shall expire when the Convertible Loan Notes have been fully converted or redeemed (the final maturity date on such Convertible Loan Notes, assuming redemption in accordance with its terms and no agreed extension of its term, being 30 September 2026).

2. Disapplication of pre-emption rights

Resolution two is proposed as a special resolution. This means that, for the Resolution to be passed, at least 75 per cent. of the votes cast must be in favour of the Resolution. Resolution two shall disapply the statutory pre-emption provisions set out in the Companies Act in respect of the allotment of Ordinary Shares, or granting of rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal value of £1,027,081. This disapplication shall expire when the Convertible Loan Notes have been fully converted or redeemed (the final maturity date on such Convertible Loan Notes, assuming redemption in accordance with its terms and no agreed extension of its term, being 30 September 2026).

Resolution two is conditional on Resolution one being passed so that, if Resolution one is not passed, neither of the Resolutions will become effective and the issue of the Second Tranche CLNs will not be implemented.

8. Irrevocable Undertakings

The Convertible Loan Note's subscription agreement contains irrevocable undertakings by the investors to exercise their voting rights in favour of the Resolutions.

9. Action to be taken by Shareholders

The General Meeting will consist of the formal business set out in the Notice of General Meeting, and no trading update or other presentation will be given.

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Shareholders are strongly encouraged to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible and, in any event, so as to arrive no later than 11:00am on 15 April 2023.

10. IMPORTANCE OF THE VOTE

It is important that Shareholders vote in favour of all of the Resolutions at the General Meeting. The passing of the Resolutions will enable the Second Tranche CLNs to be issued and for the Company to receive the net proceeds of the Second Tranche CLNs. The Directors believe that without the entire net proceeds from both tranches of the Convertible Loan Note Fundraise, then in the absence of an alternative financing solution, the Group will not have sufficient cash reserves to provide the necessary comfort that the Group's business can continue in its current form. In addition, in the event that the Resolutions do not obtain the approval of Shareholders at the General

Meeting (or an equivalent resolution is not approved by Shareholders at a subsequent general meeting by 30 June 2023), all Convertible Loan Notes shall receive the Fallback Interest rate, calculated at 20% per annum and payable in arrears.

The Directors therefore strongly recommend that Shareholders vote in favour of the Resolutions.

11. Directors' Recommendation

The Board of Biome considers the issue of the Convertible Loan Notes, including the issue of the Second Tranche CLNs, to be in the best interests of the Company and its shareholders as a whole and therefore the Directors unanimously recommend that shareholders vote in favour of the Resolutions as they intend to do in respect of their own shareholdings (and the shareholdings of their connected parties) of, in aggregate, 120,429 Ordinary Shares (representing approximately 3.21 per cent. of the Company's existing issued share capital).

Yours faithfully,

John Standen
Non-Executive Chairman

Part II

SUMMARY TERMS OF THE CONVERTIBLE LOAN NOTES

The key terms and conditions of the Convertible Loan Note Instrument are as follows:

- The total amount of the Convertible Loan Notes will be £850,000 consisting of two tranches as set out below.
- Any holder of the Convertible Loan Notes from time to time must hold at least one Ordinary Share in the Company.
- There will be an initial private placement issuance for £300,000 of Convertible Loan Notes carrying rights to convert at £0.80 per Ordinary Share (utilising the allocation resolution passed at the last general meeting of the Company) amongst certain pre-selected subscribers. ("**First Tranche CLNs**").
- Authority will then be sought by special resolution at a general meeting of the Company for a further private placement issuance of £550,000 of Convertible Loan Note carrying rights to convert at £1.06 per Ordinary Share (the "**Special Resolution**") amongst the same pre-selected subscribers ("**Second Tranche CLNs**").
- Authority will also be sought by ordinary resolution at the General Meeting for renewed disapplication resolutions under sections 551,701 and 561(1) of the Act, giving the Company authority to allot (free of pre-emption rights) any shares required to be issued to meet the conversion obligations under the Convertible Loan Note Instrument until the earliest of redemption, conversion or maturity of the Convertible Loan Note (the "**2023 - 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions**", details of which can be found in the notice of General Meeting).
- At execution of the First Tranche CLNs, the Noteholders will commit to subscribe for the entire Second Tranche CLN issuance. The completion on such commitment will be subject to the passage of the 2023 - 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions.

- If the 2023 - 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions are not approved at the General Meeting, and resolutions similar to the 2023 - 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions are not passed at a subsequent general meeting within three months of the General Meeting, the coupon (as set out below) will be adjusted so that the Alternative Coupon option will cease to apply and all holders will receive a Running Coupon which will be 20% interest per annum payable quarterly from the issuance date to maturity (as “**Fallback Interest**”), without prejudice to the obligation of the Company to continue to seek passage of the 2023 - 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions.
- The Convertible Loan Notes mature on the Long Stop Maturity Date.
- The Convertible Loan Notes include an early redemption right for all Noteholders. The Convertible Loan Note will be redeemable for all Noteholders from 30 April 2025 (the “**Amortisation Date**”) at a rate of 5.55% of their original principal amount per month up to and including the Long Stop Maturity Date. The Noteholders may at any one or more times agree to defer the Amortisation Date and / or defer, roll-up or reduce the amount redeemed without prejudice to any remaining amount payable on the Long Stop Maturity Date.
- Two coupon options are available under the Convertible Loan Note, the Running Coupon and the Alternative Coupon:
 - The Running Coupon will accrue, at the point of subscription, whereby interest of 10% per annum will be paid quarterly, with the first coupon being payable on 30 June 2023.
 - The Alternative Coupon, to the extent that the Convertible Loan Notes are redeemed or converted prior to 30 April 2025, shall bear no interest nor shall any interest accrue or be payable, and to the extent that the Convertible Loan Notes are not redeemed or converted prior to 30 April 2025 then interest will accrue on the principal amount of the Convertible Loan Notes at a rate of 10% from the original issuance date (but shall not compound) and be payable shortly after 30 April 2025 and thereafter interest shall accrue and be payable on the same basis as the Running Coupon.
- The Convertible Loan Notes will be capable of conversion by the Noteholders (subject to a minimum price of £0.05 per share) at the lowest of:
 - The “**Base Price**” being:
 - On or before 30th September 2024:
 - First Tranche CLNs: £0.80 per Share.
 - Second Tranche CLNs: £1.06 per Share.
 - A Discount of 10% from the Share Price offered (and completed on):
 - in any pre-emption offer; or
 - in any private placement (or series thereof) of 5% or more of Shares (each a “**Equity Round**”).

- A Discount of 20% from i) the average closing mid-market price of an Ordinary Share for the 10 Business Days following the announcement of a De-Listing or ii) in relation to a Takeover, the offer price per Ordinary Share for such Takeover.
- Noteholders who elected for the Alternative Coupon option, but only in respect of any conversion on or before 30 April 2025, shall have the principal amount of their Loan Notes deemed increased by 10% per annum (the "**Uplift**").
- Assuming that the relevant conditions have been satisfied, Noteholders can convert their Convertible Loan Notes on the last Business Day of each calendar month provided that the relevant Noteholder has given the Company 10 days prior notice of such conversion.
- A conversion taking place in the event of an Equity Round may only take place if notice is given by the relevant Noteholder within one month of public announcement of the Equity Round. If notice is not given in this time, the conversion price of the Convertible Loan Notes shall revert to the Base Price.
- The Company may convert the Convertible Loan Notes in the following circumstances:
 - Where on the Coupon Trigger Date the Share Price exceeds £2.50 per Share and the average Share Price over the prior 3 months has exceeded £2.25 per Share; or
 - At any time in the period from the earlier of a Take-Over offer to the Business Day following a Takeover becoming unconditional.
- Where Noteholders holding more than 50% of the outstanding principal amount of the Convertible Loan Notes (taking First Tranche CLNs and Second Tranche CLNs together) propose to convert a percentage (being not less than 50%) of their holding, all holders shall convert the same percentage of their holding at the same time. (the "**Drag Along Conversion**"). This provision shall not apply in any event before 31 January 2024 and shall not apply unless the mid-market price of the Ordinary Shares exceeds 125% of the conversion price that would apply to a conversion of the Second Tranche CLNs.
- Any conversion at the option of the Company or by operation of Drag Along Conversion must be for not less than £250,000 of the principal amount (or the remaining amount outstanding if less).
- Any conversion at the option of a Noteholder must be for not less than the higher of:
 - 25% of their original subscribed principal (or the remaining balance if less than such percentage); or
 - £25,000 (or the remaining balance if less than £25,000).
- In the event that:
 - Any Group company fails to pay any sum (or deliver any shares) due from it under the Convertible when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment / performance is made within 10 Business Days of its due date;
 - Any Group company grants security in respect of any capital instruments unless a priority security interest is granted at such time (to the reasonable satisfaction of the Holder Majority) to the Convertible Loan Note;
 - Any Group company in respect of an aggregate amount of indebtedness exceeding £100,000:
 - Has any indebtedness declared due prior to its stated maturity by reason of default; or

- Any expropriation, attachment, sequestration, distress, execution or enforcement of security affects any of a Group company's assets; or
- Any Group company has any action, proceedings, procedure or step is taken in relation to:
 - suspension of payments, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise); or
 - the appointment of a liquidator, receiver, administrator, compulsory manager or other similar officer in respect; or
 - security on or over their assets becoming enforceable and not being discharged within 30 days of enforcement commencing.
- The Board at any time concludes that the Company is not able to conduct its business as a going concern;
- The Company's auditors provide a qualified going concern opinion at the time of finalising the Company's accounts for the year ending 31 December 2023 or any subsequent accounts;
- The Company's auditors fail to provide an audit opinion on the 2023 or any subsequent accounts within five months of the relevant year end; or
- The Group fails to maintain Adjusted Net Assets (as defined in the Convertible Loan Note Instrument) of less than £100,000,

Then a Noteholder Majority (being Noteholders who collectively hold more than 50% of the Convertible Loan Notes outstanding at that time) may demand an acceleration repayment which will be converted at a premium of:

- an amount equal to the higher of:
 - 25% of the principal amount of the Loan Notes outstanding; and
 - the Embedded Conversion Value (as defined in the Loan Note Instrument),
- plus:
- all accrued unpaid interest on the Loan Notes
- less:
- any tax which the Company is required to deduct from such interest.
- The Company covenants in the Loan Note Instrument that it will not take any steps for a De-Listing whilst the Convertible Loan Notes are in issue.
- The Company will grant a full fixed and floating charge over its assets and business in favour of the Noteholders (the "**Security**"). The Noteholders benefitting from the Security granted by the Company shall appoint a security trustee to act as the sole holder of the Security for the benefit of the Noteholders.

- The Convertible Loan Notes will not be capable of assignment of less than £25,000 of principal held by each Noteholder.
- In the event that a Noteholder wishes to sell any or all of the principal amount of Convertible Loan Notes they hold (a "**Selling Noteholder**"), their fellow Noteholders will have a right to purchase the Selling Noteholder's Convertible Loan Notes *pro rata* to their initial commitment to the Convertible Loan Notes.
- Third Party Rights are excluded under the Convertible Loan Note Instrument, save that no Noteholder shall assert any claim in respect of their investment against any other Noteholder.
- The Convertible Loan Note Instrument is capable of amendment with the consent of a super majority of Noteholders.
- The Convertible Loan Notes provide for standard events of default. The Convertible Loan Notes also include the following non standard events of default:
 - Any indebtedness of over £100,000 in aggregate amongst any member of the Group is not paid when due.
 - The Board at any time concludes that the Company is not able to conduct its business as a going concern.
 - The Company's auditors provide a qualified going concern opinion at the time of sign-off of the audited accounts for the first accounting period ending after 30th April 2023 or any subsequent audited accounts.
 - There is a failure by the Company's auditors to provide an audit opinion on the accounts for the first accounting period ending after 30th April 2023.
 - The Group fails to maintain Adjusted Net Assets (as defined in the Convertible Loan Note Instrument) of less than £100,000;
- The Convertible Loan Note is governed by English Law.

Appendix II - Definitions

DEFINITIONS

"Act"	the Companies Act 2006 (as amended);
"AIM"	AIM, a market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as applicable;
"Amortisation Date"	as defined in Part II of this document;

“Allenby Capital”	Allenby Capital Limited, a limited liability company incorporated and registered in England and Wales with registered number 06706681, authorized and regulated by the FCA, and the Company’s nominated adviser and broker;
“Alternative Coupon”	a coupon option that Noteholders can elect for, at the point of subscription, whereby if the Convertible Loan Notes are redeemed or converted prior to 30 April 2025 then no interest shall accrue or be payable, and to the extent that the Convertible Loan Notes are not redeemed or converted prior to 30 April 2025 then interest will accrue on the principal amount of the Convertible Loan Notes at a rate of 10% from the original issuance date (but shall not compound), be subject to the Uplift, and be payable shortly after 30 April 2025 and thereafter interest shall accrue and be payable on the same basis as the Running Coupon;
“Articles”	the existing articles of association of the Company as at the date of this Circular;
"Base Price"	as defined in Part II of this document;
“Business Day”	a day on which dealings in securities may take place on the London Stock Exchange;
“Capital Events”	a De-Listing or a Takeover, as defined below;
“Closing Price”	unless otherwise stated, the closing middle market quotation of the Ordinary Shares on AIM;
“Code”	the City Code on Takeovers and Mergers;
“Company” or “Biome”	Biome Technologies plc, a company incorporated and registered in England and Wales with registered number 01873702;
“2023 – 2026 Convertible Loan Note Contingent Capital Authorisation Resolutions”	the two Resolutions set out in the Notice of General Meeting and as described and made reference to in this document;
“Convertible Loan Notes” or “CLN”	the convertible loan notes issued or to be issued to the Noteholders (as the case may be), details of which are set out in section 2 of Part I and in Part II of this document;
“Convertible Loan Note Fundraise”	the issue of both the First Tranche CLNs and the Second Tranche CLNs;
“Convertible Loan Note Instrument”	the loan note instrument dated 31 March 2023 in connection with the Convertible Loan Notes, details of which are set out in Part II of this document;
“Coupon Trigger Date”	30 April 2025;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations);

“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755) (as amended from time to time);
“De-Listing”	the cancellation of the admission of the Shares of the Company to trading on the AIM Market of the London Stock Exchange (without any admission to any other market permitting trading of shares in the Company);
“Directors” or “Board”	the directors of the Company whose names are set out on page 2 of this document, or any duly authorised committee thereof;
“Document”	this document and notice of general meeting dated 31 March 2023;
“Drag Along Conversion”	As defined in Part II of this document;
“Euroclear”	Euroclear UK & International Limited, the operator of CREST;
“Equity Round”	as defined in Part II of this document;
“Fallback Interest”	20% per annum;
“FCA”	the Financial Conduct Authority;
“First Tranche CLNs”	as defined in Part II of this document;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto;
“General Meeting” or “GM”	the general meeting of the Company which has been convened for 11:00am on 17 April 2023, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries as at the date of this document;
“Latest Practicable Date”	30 March 2023, being the latest practicable date prior to the announcement of the Convertible Loan Notes;
“London Stock Exchange”	the London Stock Exchange plc;
“Long Stop Maturity Date”	30 September 2026;
“Member Account ID”	the identification code or number attached to any member account in CREST;
“Noteholders”	the persons entered in the register of Convertible Loan Notes as the holders of the Convertible Loan Notes;
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document;
“Official List”	the official list of the Financial Conduct Authority;

“Ordinary Share(s)”	Ordinary share(s) in the share capital of the Company each with a nominal value of 5 pence;
“Registrar”	Neville Registrars Limited;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“Restricted Jurisdiction”	each and any of the United States of America, Australia, Canada, Japan, New Zealand, Russia, the Republic of Ireland and the Republic of South Africa and any other jurisdiction where any offer of the Convertible Loan Notes or the Ordinary Shares or the distribution of this document would breach any applicable law or regulations;
“Running Coupon”	a coupon option that Noteholders can elect for, at the point of subscription, whereby interest of 10% per annum will be paid quarterly from the date of the issuance of the Convertible Loan Notes;
“Second Tranche CLNs”	as defined in Part II of this document;
"Security"	as defined in Part II of this document;
"Selling Noteholder"	as defined in Part II of this document;
"Special Resolution"	as defined in Part II of this document;
“Shareholders”	holder(s) of Ordinary Shares;
“Sterling” or “£”	pounds sterling, the lawful currency of the United Kingdom;
“Takeover”	an offer (made by way of contractual offer or scheme of arrangement) becoming or having become unconditional in all respects (in accordance with the UK Takeover Code);
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
"Uplift"	as defined in Part II of this document;
“US Person”	a US person as defined in Regulation S promulgated under the US Securities Act; and
“US Securities Act”	the United States Securities Act of 1933 (as amended).

Appendix III – Expected Timetable of Principal Events

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the issue of the First Tranche CLNs and Circular published and sent to Shareholders

31 March 2023

Latest time and date for receipt of completed Forms of Proxy

11:00am on 15 April 2023

Latest time and date for CREST voting instructions	11:00am on 15 April 2023
General Meeting	11:00am on 17 April 2023
Issue of the Second Tranche CLNs	following the General Meeting

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company. References to time in this document are to London time except when otherwise stated. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

Appendix IV – Transaction Statistics

TRANSACTION STATISTICS

ILLUSTRATIVE DILUTION STATISTICS

Number of Ordinary Shares currently in issue, including treasury shares	3,772,640
Maximum number of new Ordinary Shares that could be issued pursuant to the conversion of the First Tranche CLNs at the base price of 80 p pence per new Ordinary Share ⁽¹⁾	428,341
Percentage of as enlarged Ordinary Share capital represented by the above maximum number of new Ordinary Shares that could be issued pursuant to the conversion of the First Tranche CLNs	10.2%
Maximum number of new Ordinary Shares that could be issued pursuant to the conversion of the Second Tranche CLNs at the base price of 106 p pence per new Ordinary Share ⁽²⁾	590,860
Percentage of as enlarged Ordinary Share capital represented by the above maximum number of new Ordinary Shares that could be issued pursuant to the conversion of the Second Tranche CLNs	13.5%
Maximum number of new Ordinary Shares that could be issued pursuant to the conversion of both the First Tranche CLNs and the Second Tranche CLNs at the respective base prices, as above	1,019,201
Percentage of as enlarged Ordinary Share capital represented by the maximum number of new Ordinary Shares that could be issued pursuant to the conversion of both the First Tranche CLNs and the Second Tranche CLNs	21.3%

PROCEEDS FROM THE CONVERTIBLE LOAN NOTES

Estimated gross proceeds from the issue of the Convertible Loan Notes ⁽³⁾	£850,000
Estimated expenses of the Convertible Loan Notes	£120,000
Estimated net proceeds of the Convertible Loan Notes ⁽³⁾	£730,000

⁽¹⁾ Assuming that there is maximum conversion, at the First Tranche CLN base conversion price of 80 p per Ordinary share, of all of the relevant principal amount and applicable Uplift.

⁽²⁾ Assuming that there is maximum conversion, at the Second Tranche CLN base conversion price of 106 p per Ordinary share, of all of the relevant principal amount and applicable Uplift.

⁽³⁾ Based on the issue of both the First Tranche CLNs and the Second Tranche CLNs.

The above dilution statistics are illustrative. Shareholders should be aware that the Convertible Loan Notes can also potentially be converted at other prices, including upon certain specified fundraising-related events or Capital Events, further details of which can be found in Parts I and II of this document. Given that such alternative conversion prices are based upon events that have not occurred, the potential dilutive effect resulting from such conversion of the Convertible Loan Notes in these circumstances has not been quantified above.

Other

Forward Looking Statements

This announcement includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

No Offer

No offer or invitation is being made to Shareholders more generally to purchase, acquire or subscribe for any of the Convertible Loan Notes. This announcement does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, Convertible Loan Notes and/or Ordinary Shares or an invitation to buy, acquire or subscribe for Convertible Loan Notes and/or Ordinary Shares.

Notice to Overseas Persons

This announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any jurisdiction into which the publication or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in Australia, Canada, Japan, New Zealand, the Republic of South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Persons into whose

possession this announcement comes are required by the Company to inform themselves about, and to observe, such restrictions.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

General

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) or any previous announcement made by the Company is incorporated into, or forms part of, this announcement.

Allenby Capital, which is authorised and regulated by the FCA in the United Kingdom, is acting as Nominated Adviser and Broker to the Company. Allenby Capital will not be responsible to any person other than the Company for providing the protections afforded to clients of Allenby Capital or for providing advice to any other person. Allenby Capital has not authorised the contents of, or any part of, this announcement, and no liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this announcement or for the omission of any material information.

-Ends-