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***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.***

**11 March 2024**

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

**Issue of £400,000 of secured 2026 redeemable Convertible Loan Notes**

**Director/PDMR shareholding notification**

Biome Technologies plc, a leading bioplastics and radio frequency technology business, announces that the Company has raised £400,000 (before expenses) by way of an issue of a further tranche of Convertible Loan Notes ("**Third Tranche CLNs**"), pursuant to the convertible loan note fundraise announced on 31 March 2023 (the "**2023 Convertible Loan Note Fundraise**").

The issue of the First Tranche and Second Tranche of the 2023 Convertible Loan Note Fundraise completed on 31 March 2023 and 18 April 2023 respectively, raising in total £850,000 (before expenses). Further details of the 2023 Convertible Loan Note Fundraising and the background to and reasons for the 2023 Convertible Loan Note Fundraising can be found in the 2023 Circular available on the Company's website at <https://biometechnologiesplc.com/reports-2/> and in the announcement made by the Company on 31 March 2023. To issue the Third Tranche CLNs, the Company has entered into a deed of variation to the original Loan Note Instrument, which has increased the aggregate principal amount of monies available under the original Loan Note Instrument.

Whilst the issue of the Third Tranche CLNs is not conditional on the approval of Shareholders, the Company has given an undertaking to the holders of the Third Tranche CLNs to seek the approval of Shareholders at the Company's next annual general meeting to resolutions to provide sufficient authority to satisfy the various conversion terms of the Third Tranche CLNs and 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 various conversion terms of the Third Tranche CLNs (the "**2024 AGM CLN Resolutions**"). Additionally, each subscriber for Third Tranche CLNs has undertaken that all voting rights in respect of the existing Ordinary Shares that they may control shall be exercised to vote in favour

of the 2024 AGM CLN Resolutions, and following their adoption to vote against any proposal to revoke, vary or amend the effects of the 2024 AGM CLN Resolutions that would constitute a breach of the covenant in relation to the Convertible Loan Notes.

The Third Tranche CLNs have been issued to the same persons who subscribed for the 2023 Convertible Loan Note Fundraise, plus an additional new participant.

### **Use of proceeds and recent trading and prospects**

It is intended that the net proceeds from the Third Tranche CLNs will be used to support the growth and working capital requirements of the Group's Bioplastics and RF Technologies divisions and allow the Group to progress towards a position of operating cash sustainability.

### **Bioplastics Division**

The Bioplastics division's revenues grew rapidly in the year ended 31 December 2023 ("FY 2023") particularly in 'Home Compostable' polymers for filmic applications in North America. This momentum is expected to continue in the year ending 31 December 2024 ("FY 2024") at a more modest rate. Supply chain disturbances particularly caused by shipping issues in the Red Sea are having an impact on the passage times of goods from Europe to North America, with higher levels of working capital support and stock being planned for the foreseeable future.

Growth in demand for compostable bioplastics in the market continues, although upward inflection points in various regions and countries will depend on both legislation and growth of composting disposal infrastructure.

In the medium term, the Board believes that further step changes in the division's revenue growth will require the completion of the development and certification work to render Biome's proprietary filter mesh as Home Compostable. Considerable technical development activity has been undertaken on this material (used in coffee pods) over the last three years with encouraging outcomes. Development spend is planned to continue during 2024 with initial commercial benefits expected later in the year.

### **RF Technologies Division**

The RF Technologies division's revenues in FY 2023 were modest, being predominantly derived from spares and servicing, plus a small-scale industrial heating project.

Following development work over the past few years, it was announced in June 2023 that the division had been awarded a contract with a revenue value of £452,000 to supply a novel induction furnace system to a global manufacturer of scientific glass products. Revenues from this work are expected to flow in FY 2024.

In February 2024, the Group announced that it had been awarded a second contract (this time for £490,000) with an associate company of the initial customer, to deliver a similar system with completion scheduled within FY 2024. These two systems represent a substantial body of work for the division. The Directors believe that, depending on successful implementation of these first systems, there are multiple use cases for the division's scientific glass applications on both sides of the Atlantic.

The division is also pursuing further opportunities of similar value in the medical supply sector. Negotiations have advanced significantly since the start of this year with two of these opportunities and the RF Technologies team remain confident in bringing one or both of these to a successful conclusion in the relatively short-term. Recent

medical RF projects build on an increasingly standardised platform that the division has developed, which we consider provides a lower implementation risk.

## **Group**

Based on the factors stated above and the Board's assumptions for FY 2024, the Board currently expects total Group revenues to be substantially increased versus FY 2023, predominantly driven by projects of scale in the RF Technologies division.

Further activity is underway to improve the Group's gross margins through a focus on operational and logistics efficiencies coupled with product mix changes. The Board intends for the Group's overhead base to be managed tightly in FY 2024, with R&D spend prioritised towards the efforts on Home Compostable fibres and mesh.

As a result of this, the Board is currently expecting for the Group to be broadly breakeven, in cash terms, in FY 2024.

The Board is pleased with the progress that the Company continues to make and the net proceeds from the Third Tranche CLNs are to be used to support the Group's growth and working capital requirements ahead of improved cash generation from ongoing RF Technologies projects and increased Bioplastics sales revenue being delivered in North America.

## **Directorate change**

The Board also announces that Robert (Rob) Smith, Group Chief Financial Officer ("CFO") and a Director of Biome, has tendered his resignation and will leave the Company in order to pursue a new role in a non-competing industry. Rob will remain with the Company until May 2024 and will continue to be focused on running the Company's finance function, including the publication of the Company's FY 2023 annual results.

A replacement for the CFO post will be sought over the coming months and the Board will engage an experienced interim finance executive to ensure that this critical role in the Biome team is adequately resourced. Rob will also work to ensure the effective transition of his responsibilities to his successor with the intention that there will be an orderly handover period.

## **Third Tranche CLN Coupon Elections**

All of the subscribers for the Third Tranche CLNs have elected for the Alternative Coupon pursuant to the Convertible Loan Notes. The Alternative Coupon is 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.

## **Overview summary of the Third Tranche CLNs**

The Third Tranche CLNs are being issued on the same terms as the 2023 Convertible Loan Notes, subject to the following variations:

- Subject to the Third Tranche CLNs' terms and the Directors having sufficient authority to satisfy any conversion notices received, at any time following the issue of the Third Tranche CLN, holders of the Third Tranche CLNs can convert those Third Tranche CLNs into new Ordinary Shares at a base price of £1.00 per new Ordinary Share, which represents a discount of approximately 11.1 per cent. to the Closing Price of 112.50 pence per Ordinary Share on 8 March 2024, being the latest practicable date prior to this announcement.
- Subject to the Third Tranche CLNs' terms and the Directors having sufficient authority to satisfy any conversion notices received, the Company shall be entitled to convert all or some of the outstanding Third Tranche CLNs (with all accrued interest) at a price of £1.00 per new Ordinary Share.
- As was the case with the 2023 Convertible Loan Note Fundraising, 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 the announcement issued by the Company on 31 March 2023), 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. However, in relation to the both the Convertible Loan Notes issued pursuant to the 2023 Convertible Loan Note Fundraising and the Third Tranche CLNs, for the purposes of one of the existing events of default, the Company and the Noteholders have agreed to vary the definition and basis of calculation of 'Adjusted Net Assets' to make it more relevant to the Company's expected balance sheet going forward.
- Shareholders should note that in the event that approval is not given by Shareholders at the Company's next annual general meeting to the AGM CLN Resolutions, then all the Third Tranche CLNs will receive a Fallback Interest rate, calculated at 20% per annum and payable in arrears.

Aside from the above, the various conversion terms, early redemption rights, accelerated repayment terms, covenants, undertakings, security arrangements, events of default and other terms of the Third Tranche CLNs are the same as the 2023 Convertible Loan Notes.

Full details of the existing terms of the Convertible Loan Notes can be found in the circular available on the Company's website. The summary above should be read in conjunction with the announcement issued by the Company on 31 March 2023. Unless otherwise specified, capitalised terms in this announcement have the meanings given to them in the definitions included in the announcement issued by the Company on 31 March 2023.

#### **Potential dilutive effect resulting from the Convertible Loan Notes**

The Third Tranche CLNs are capable of being converted by the Noteholders into new Ordinary Shares at a base price of 100 pence per new Ordinary Share. The First Tranche CLNs are capable of being converted by the Noteholders into new Ordinary Shares at a base price of 80 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 pence per new Ordinary Share.

Assuming that no other Convertible Loan Notes are converted, in the circumstances whereby the entire principal amount of the Third Tranche CLNs and applicable Uplift is converted at the base price of 100 pence per new Ordinary Share, this will upon maximum conversion represent approximately 10.5 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there have not been any other share issuances). Accordingly, upon such

conversion of the Third Tranche CLNs, existing Shareholders that are not interested in Convertible Loan Notes would experience dilution of approximately 10.5 per cent.

In the circumstances whereby the entire principal amount of all of the Convertible Loan Notes and applicable Uplift is converted at the relevant base prices, this will upon maximum conversion represent approximately 27.8 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there have not been any other share issuances). Accordingly, upon such conversion of all of the First Tranche CLNs, Second Tranche CLNs and Third Tranche CLNs, existing Shareholders that are not interested in Convertible Loan Notes would experience dilution of approximately 27.8 per cent.

The above dilution statistics are illustrative and do not cover all of the potential dilutive effects that may result from conversion of the Convertible Loan Notes. In particular, 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 the announcement issued by the Company on 31 March 2023.

#### **Director participation in the Third Tranche CLNs**

John Martin Rushton-Turner, a Non-Executive Director of the Company, has subscribed for a total of £125,000 of Third Tranche CLNs. The FCA notification made in accordance with the requirements of UK MAR is appended further below. Martin Rushton-Turner is also interested in £300,000 of Convertible Loan Notes issued in the 2023 Convertible Loan Note Fundraise.

Mr Rushton-Turner currently holds 500,000 Ordinary Shares in the Company, which represents 13.2 per cent. of the current voting rights in the Company. Assuming that all Convertible Loan Notes are converted from the Convertible Loan Note Fundraise, then in the circumstances whereby the entire principal amount of all of the Convertible Loan Notes held by Mr Rushton-Turner (and applicable Uplift) is converted at the relevant base prices, Mr Rushton-Turner would be interested in approximately 19.5 per cent. of the issued ordinary share capital as enlarged by such conversion (assuming there have not been any other share issuances).

#### **For further information please contact:**

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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 (“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](http://www.biometechnologiesplc.com)      [www.biomebioplastics.com](http://www.biomebioplastics.com)      and      [www.thinkbioplastic.com](http://www.thinkbioplastic.com)  
[www.stanelcorftechnologies.com](http://www.stanelcorftechnologies.com)

**Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them**

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>	
a)	Name	John Martin Rushton-Turner
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	Non-Executive Director
b)	Initial notification /Amendment	Initial notification
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Biome Technologies plc
b)	LEI	213800B9QI14B12TAO51
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument	Ordinary Shares of 5 pence in Biome Technologies plc.
	Identification code	Identification code (ISIN) for Biome Technologies plc Ordinary Shares: GB00B9Z1M820
b)	Nature of the transaction	Participation in subscription of Convertible Loan Notes

c)	Price(s) and volume(s)	Price: Base conversion price of 100 pence per Ordinary Share Volume (principal value of Convertible Loan Notes): £125,000 of Convertible Loan Notes
d)	Aggregated information  - Aggregated volume  - Price	N/A
e)	Date of the transaction	11 March 2024
f)	Place of the transaction	Outside a trading venue