

*The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.*

**16 August 2024**

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

**Trading update**

Biome Technologies plc, a leading bioplastics and radio frequency technology business, today provides an unaudited trading update for the quarter ended 30 June 2024. The Company's unaudited interim results for the six months ended 30 June 2024 ("2024 H1") are expected to be announced on 20 September 2024.

Group revenues for 2024 H1 were £2.3m (2023 H1: £3.6m) a decrease of £1.3m compared to 2023 H1. This lower level of revenue in 2024 H1 was caused by continued production and regulatory difficulties at two of the Bioplastics division's end-customers and the second-half phasing of revenue from the four significant RF division projects, currently undergoing design and build.

The Group had a cash balance at 30 June 2024 of £0.6m (30 June 2023: £0.9m) and had an original principal amount of £1.25 million outstanding pursuant to the Convertible Loan Instrument and no bank debt.

**Bioplastics**

The division's revenues for 2024 H1 were £2.0m (2023 H1: £3.0m). This was due to production and regulatory difficulties at two of the division's end customers that had subdued revenues in the first half compared to our expectations. Revenues of greater significance are now expected from these customers in 2024 H2 as various technical validations are finalised.

We are continuing the development of home compostable ("HC") materials (moving away from industrial compostable) throughout our range of product applications. The success in development of these materials has generally depended upon the thickness of the material required for the application. For example, in the film area, where materials are thinner, success has been achieved earlier than in thicker materials such as mesh.

The division operates in three broader application areas that are described below:

**Mesh** encompasses fibres for wovens and non-wovens to produce a filtration fabric and their underlying bioplastic polymer compounds. Revenues were subdued in this area in 2024 H1 as one end-customer (a leading player in the North American coffee market) encountered production difficulties. Work with this end-customer throughout 2024 Q2 has established the root cause and we expect a gradual return to usage of Biome's mesh later in 2024 H2 accompanied by additional use of Biome home compostable rigid materials. It is anticipated that this will lead to further growth in 2025.

During 2024 H1, broader demand for Biome's mesh products was as expected and work with six individual development prospects is underway as the Company seeks to exploit its technical advantage. These prospects range across end uses from food and beverage to horticulture. Most of these prospects are being co-developed in anticipation of the launch of the division's home compostable range, which is expected in 2025 but not expected to provide significant revenues in that year.

Home compostable fibres and non-wovens remain the division's primary development focus and in recent months has seen several important milestones reached towards the achievement of these goals.

**Rigids** encompasses bioplastic polymer compounds for producing rigid parts, often using processes of injection moulding or extrusion. In this application area, the switch to home compostable materials has started and the

majority of customer volumes are expected to have switched by the end of 2025. Looking forward, of note is the anticipated increase in revenues in 2025 from the coffee market end-customer highlighted earlier.

In 2024 H1, revenues in tree guard applications were below expectations, as Biome's key customer was delayed in completing its production validation process. The Company expects modest growth from this area as the product is promoted more vigorously in the 2024/2025 winter planting season.

**Film** describes end-use applications in which Biome's bioplastics granules are converted into filmic products primarily for the food packaging sector. The conversion, in Biome's customer base, to home compostable products in this application area started in 2023, and this product type is expected to form the majority of products sold by end 2024. The expected ramp-up of demand with a customer that Biome has been working with for two years was delayed in 2024 H1 by regulatory matters in the end-customer's markets. The resolution has been progressed and launch is now expected in 2024 H2. Biome continues to diversify its customer set in the filmic area and a number of new customers are emerging with meaningful revenues in 2024, with further volume growth expected for 2025.

### **RF Technologies**

The RF division entered the year having secured a major contract in 2023 for delivery in 2024 and secured three further large contract wins in 2024 H1 which are expected to result in significant revenue being recognised in 2024. The division's background spares, service and small equipment revenues have continued as expected in 2024 H1.

The first of these major contracts for the Scientific Glass application area is nearing completion and the equipment has been tested successfully by Biome, with customer acceptance testing expected early in 2024 H2. The second Scientific Glass contract is expected to be completed in 2024 Q4.

The two significant contracts for the medical markets are now in their design phase, building on previous modular units that have been deployed before and completion is expected in 2024 H2.

Looking ahead to the pipeline of prospects, the RF Technologies division is in discussions regarding several large contracts in growth sectors which are expected to complete in 2025 and which the Company expects will be supported by similar levels of spares, service and small equipment activity.

### **Board**

Simon Herrick's resignation from the Board was announced on 10 July 2024. Whilst a replacement is sought, John Standen has assumed the additional responsibilities of Chairman of both the Company's audit and remuneration committees.

### **Group outlook**

The Board anticipates improved operational performance during the remainder of this year. The Bioplastics division should resolve the difficulties encountered in 2024 H1 and the RF division will be focusing on delivering the contracts won late last year and in 2024 H1, widening the customer and technology base.

There remains a strong emphasis in both divisions on bringing novel technologies through to commercialisation and widening the customer base to reduce the impact of the type of disruptions we have seen in 2024. In particular, the Board believes our gradual deployment of home compostable materials throughout our range of bioplastic product areas will increasingly demonstrate the benefits of our products to our customers and help drive future growth.

As announced on 8 July 2024, the Group's, revenues for 2024 are anticipated to be significantly below our previous expectations, albeit still ahead of those in 2023. The second half of 2024 is expected to show a significant improvement on that performance and the Board expects to see a continuation of that growth trend in 2025.

In the announcement on 8 July 2024, the Company also announced that it was examining ways to ensure that the Group had sufficient working capital going forward. Against this backdrop, and the need for Biome to secure further funding, the Company will shortly be announcing proposals in this regard.

The person responsible for arranging the release of this Announcement on behalf of the Company is Paul Mines, Chief Executive Officer of the Company.

**-Ends-**

**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 (“Bioplastics”) and Stanelco RF Technologies Limited (“RF Technologies”).

Biome Bioplastics is a leading developer of highly-functional, bio-based and biodegradable plastics. The division’s mission is to produce bioplastics that challenge the dominance of oil-based polymers.

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.

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