

**31 August 2016**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

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

**Interim Results**

Biome Technologies plc announces its Interim Results for the six months ended 30 June 2016.

**Highlights**

- Group revenues £2.2m (H1 2015: £2.1m)
- Reduced loss before interest, depreciation, amortisation, and share option charges of £0.1m (H1 2015: loss of £0.3m)
- Margins improved at 50% (H1 2015: 39%)
- Initial quantities of the "BiomeMesh" product delivered by the Bioplastics Division
- Healthy Stanelco RF Technologies enquiry book stretching into 2017

Paul Mines, Chief Executive Officer said:

"The prospects for the suite of bio-materials for the coffee market developed by the Biome Bioplastics division is encouraging as products move into commercialisation albeit exact timing of large scale deployment rests on extensive final testing. The RF Division continues to deliver a strong underlying performance."

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## **Chairman's Statement**

The Group results for the first half of 2016 were ahead of those seen in the first half of 2015, with a strong first half for Stanelco RF Technologies more than offsetting a more subdued performance within the Biome Bioplastics division. The Group loss of £0.4m was ahead of the prior year with improved margins.

Group revenues were £2.2m compared to £2.1m in the first half of 2015. Gross profit of £1.1m was ahead of the first half of 2015 (£0.8m). Margins, at 50%, were ahead of the prior year figure of 39%, underpinned by an improvement in product mix.

The loss before interest, depreciation, amortisation and share option effects for the six months to 30 June 2016 was £0.1m compared to a loss of £0.3m in the first half of 2015. The loss after taxation was £0.4m (H1 2015: loss £0.6m) equating to a loss per share of 16 pence (H1 2015 loss per share 24 pence).

Net decrease in cash and cash equivalents in the period was £0.6m which included operating cash usage of £0.2m and £0.3m expenditure on research and development for new products within the Bioplastics division. In addition, there was a £0.1m increase in working capital ahead of equipment order shipments within the Stanelco RF Technologies division in the second half of 2016. The Group's cash position at 30 June 2016 was £1.0m.

## **Bioplastics Division**

Revenues in the Bioplastics division for the first half of 2016 were £0.6m (H1 2015: £1.0m). This reduction in turnover was reflected in the operating loss for the period of £0.15m (2015: loss of £0.07m) although partially offset by improved margins. The subdued turnover in H1 results from the timing of end market campaign runs of the now commercialised packaging and lidding materials; this is a feature of this business and a firmer H2 is expected.

Biome has been developing a closely related suite of materials to enable coffee pod producers to sell biodegradable end products to the US consumer market. The materials Biome has been developing comprise first, the outer packaging and the lid; next, the ring of the pod; and lastly, the "non-woven" filter of the pod. Taken together these various biodegradable parts will enable the market to move to a fully compostable pod and each part has entailed significant development cost both in time and in production testing. The packaging and lid materials have completed their development stages and have been in full production since the middle of last year. The ring and filter materials are in the advanced stages of development.

In the trading statement of 27 June 2016, it was noted that whilst the second half of this year should be favourably impacted as the ring reaches its commercialisation phase, it had become clear that the inflexion point of significant revenue uplift would occur later in the half year than the Board had previously expected. As we now move through the second half of the year, Biome's customers continue to complete their own work to industrialise this innovative product and good progress is being made towards full commercialisation.

Encouragingly, in the last month, initial commercial quantities of the "mesh" product have now been supplied and whilst there is much work to do to ensure an efficient scale-up of production, it is anticipated that revenues will commence in the second half of 2016 but move into full commercialisation in 2017.

Over the last few years, the division has been awarded a number of grants to develop a new range of lignocellulose-derived bioplastics that can be made at comparable cost to traditional petro-chemicals. These development projects are at various stages of completion with one project completing its feasibility study in May 2016 with very encouraging results. Further updates on the progress of these projects will be made as they evolve.

## **Stanelco RF Technologies Division**

Revenues in the RF Technologies division were £1.6m (H1 2015: £1.0m) reflecting a good order load in the first half. The division continued to make a positive contribution, with operating profit in the first half of £0.4m (H1 2015: £0.1m).

The contract announced in 2014 year to supply advanced analytical equipment to a UK regulated industry sector using the division's induction heating technology is nearing completion. The first of the two units was delivered in July 2016 with the second unit anticipated for delivery within the second half of 2016.

Revenues generated from the division's position in the fibre optic furnace market remain moderate albeit there are some signs in the enquiry level of increased appetite for investment in this sector.

Recently, the division has signed a contract to undertake the development of the technology and design behind an innovative pipe welder for a business in continental Europe. If this initial element of the project is successful, it is likely to lead to an important new revenue stream in 2018 and beyond.

General enquiry levels within the division remain encouraging with a healthy enquiry book stretching into 2017.

### **Outlook**

The Board remains confident that the Group's existing and emerging portfolio of exciting products will give rise to a significant and valuable business stream. However, revenues for the remainder of 2016 and the early part of 2017 will reflect the unpredictability and volatility related to the Bioplastics product suite being in the early stages of commercialisation. The Board continues to expect Group revenues for the year to 31 December 2016 to be marginally ahead of those achieved in the prior year.

**John Standen**  
Chairman

**CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME**  
For the period ended 30 June 2016

|                                                                                                       | Note    | Total for<br>6 Months<br>Ended<br>30 June<br>2016<br>Unaudited<br>£'000 | Total for<br>6 Months<br>Ended<br>30 June<br>2015<br>Unaudited<br>£'000 | Total Year<br>ended<br>31 December<br>2015<br>Audited<br>£'000 |
|-------------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------|
| <b>REVENUE</b>                                                                                        | 5a – 5c | 2,162                                                                   | 2,056                                                                   | 4,882                                                          |
| Cost of sales                                                                                         |         | (1,082)                                                                 | (1,247)                                                                 | (2,759)                                                        |
| <b>GROSS PROFIT</b>                                                                                   |         | 1,080                                                                   | 809                                                                     | 2,123                                                          |
| Administrative expenses                                                                               |         | (1,453)                                                                 | (1,348)                                                                 | (2,904)                                                        |
| <b>LOSS FROM OPERATIONS</b>                                                                           | 5a – 5c | (373)                                                                   | (539)                                                                   | (781)                                                          |
| Loss from operations before exceptional items & share options charges                                 |         | (311)                                                                   | (477)                                                                   | (656)                                                          |
| Share options charges                                                                                 |         | (62)                                                                    | (62)                                                                    | (125)                                                          |
| Investment revenue                                                                                    |         | 3                                                                       | 4                                                                       | 7                                                              |
| Foreign exchange gain/(loss)                                                                          |         | 1                                                                       | (27)                                                                    | (18)                                                           |
| <b>LOSS BEFORE TAXATION</b>                                                                           |         | (369)                                                                   | (562)                                                                   | (792)                                                          |
| Taxation                                                                                              | 6       | -                                                                       | -                                                                       | 59                                                             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE<br/>TO THE EQUITY HOLDERS OF THE PARENT</b> |         | (369)                                                                   | (562)                                                                   | (733)                                                          |
| Basic and diluted loss per share - pence                                                              | 7       | (16)                                                                    | (24)                                                                    | (31)                                                           |

**CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**  
As at 30 June 2016

|                                                                             | Note | At<br>30 June<br>2016<br>Unaudited<br>£'000 | At<br>30 June<br>2015<br>Unaudited<br>£'000 | At<br>31 December<br>2015<br>Audited<br>£'000 |
|-----------------------------------------------------------------------------|------|---------------------------------------------|---------------------------------------------|-----------------------------------------------|
| <b>NON-CURRENT ASSETS</b>                                                   |      |                                             |                                             |                                               |
| Other intangible assets                                                     | 8    | 1,503                                       | 1,250                                       | 1,365                                         |
| Property, plant and equipment                                               | 9    | 190                                         | 236                                         | 209                                           |
|                                                                             |      | <u>1,693</u>                                | <u>1,486</u>                                | <u>1,574</u>                                  |
| <b>CURRENT ASSETS</b>                                                       |      |                                             |                                             |                                               |
| Inventories                                                                 | 10   | 1,210                                       | 826                                         | 1,045                                         |
| Trade and other receivables                                                 | 11   | 1,413                                       | 857                                         | 1,334                                         |
| Cash and cash equivalents                                                   |      | 1,018                                       | 1,760                                       | 1,588                                         |
|                                                                             |      | <u>3,641</u>                                | <u>3,443</u>                                | <u>3,967</u>                                  |
| <b>TOTAL ASSETS</b>                                                         |      | <u><u>5,334</u></u>                         | <u><u>4,929</u></u>                         | <u><u>5,541</u></u>                           |
| <b>CURRENT LIABILITIES</b>                                                  |      |                                             |                                             |                                               |
| Trade and other payables                                                    | 12   | 1,726                                       | 906                                         | 1,626                                         |
|                                                                             |      | <u>1,726</u>                                | <u>906</u>                                  | <u>1,626</u>                                  |
| <b>TOTAL LIABILITIES</b>                                                    |      | <u><u>1,726</u></u>                         | <u><u>906</u></u>                           | <u><u>1,626</u></u>                           |
| <b>NET ASSETS</b>                                                           |      | <u><u>3,608</u></u>                         | <u><u>4,023</u></u>                         | <u><u>3,915</u></u>                           |
| <b>EQUITY</b>                                                               |      |                                             |                                             |                                               |
| Share capital                                                               |      | 117                                         | 117                                         | 117                                           |
| Share premium account                                                       |      | 740                                         | 740                                         | 740                                           |
| Capital redemption reserve                                                  |      | 4                                           | 4                                           | 4                                             |
| Share options reserve                                                       |      | 586                                         | 579                                         | 542                                           |
| Translation reserve                                                         |      | (85)                                        | (85)                                        | (85)                                          |
| Retained profits/(losses)                                                   |      | 2,246                                       | 2,668                                       | 2,597                                         |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND TOTAL EQUITY</b> |      | <u><u>3,608</u></u>                         | <u><u>4,023</u></u>                         | <u><u>3,915</u></u>                           |

The interim statements were approved by the Board on 30 August 2016.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)  
Declan L Brown (Group Finance Director)  
30 August 2016

**CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY**

As at 30 June 2016

|                                                  | Share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Share<br>options<br>reserve<br>£'000 | Translation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | TOTAL<br>EQUITY<br>£'000 |
|--------------------------------------------------|---------------------------|--------------------------------------|-------------------------------------------|--------------------------------------|---------------------------------|-------------------------------|--------------------------|
| <b>Unaudited</b>                                 |                           |                                      |                                           |                                      |                                 |                               |                          |
| <b>Balance at 1 January 2016</b>                 | 117                       | 740                                  | 4                                         | 542                                  | (85)                            | 2,597                         | 3,915                    |
| Share options issued in share based payments     | -                         | -                                    | -                                         | 62                                   | -                               | -                             | 62                       |
| Cancellation of time expired share options       | -                         | -                                    | -                                         | (18)                                 | -                               | 18                            | -                        |
| <b>Transactions with owners</b>                  | -                         | -                                    | -                                         | 44                                   | -                               | 18                            | 62                       |
| Loss for the period                              | -                         | -                                    | -                                         | -                                    | -                               | (369)                         | (369)                    |
| <b>Total comprehensive income for the period</b> | -                         | -                                    | -                                         | -                                    | -                               | (369)                         | (369)                    |
| <b>Balance 30 June 2016</b>                      | 117                       | 740                                  | 4                                         | 586                                  | (85)                            | 2,246                         | 3,608                    |
| <b>Unaudited</b>                                 |                           |                                      |                                           |                                      |                                 |                               |                          |
| <b>Balance at 1 January 2015</b>                 | 117                       | 740                                  | 4                                         | 531                                  | (85)                            | 3,216                         | 4,523                    |
| Share options issued in share based payments     | -                         | -                                    | -                                         | 62                                   | -                               | -                             | 62                       |
| Cancellation of share scheme                     | -                         | -                                    | -                                         | (14)                                 | -                               | 14                            | -                        |
| <b>Transactions with owners</b>                  | -                         | -                                    | -                                         | 48                                   | -                               | 14                            | 62                       |
| Loss for the period                              | -                         | -                                    | -                                         | -                                    | -                               | (562)                         | (562)                    |
| <b>Total comprehensive income for the period</b> | -                         | -                                    | -                                         | -                                    | -                               | (562)                         | (562)                    |
| <b>Balance 30 June 2015</b>                      | 117                       | 740                                  | 4                                         | 579                                  | (85)                            | 2,668                         | 4,023                    |

|                                                | Share capital<br>£'000 | Share premium account<br>£'000 | Capital redemption reserve<br>£'000 | Share options reserve<br>£'000 | Translation reserves<br>£'000 | Retained earnings<br>£'000 | TOTAL EQUITY<br>£'000 |
|------------------------------------------------|------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------|----------------------------|-----------------------|
| <b>Audited</b>                                 |                        |                                |                                     |                                |                               |                            |                       |
| <b>Balance at 1 January 2015</b>               | 117                    | 740                            | 4                                   | 531                            | (85)                          | 3,216                      | 4,523                 |
| Share options issued in share based payments   | -                      | -                              | -                                   | 125                            | -                             | -                          | 125                   |
| Cancellation of share scheme                   | -                      | -                              | -                                   | (114)                          | -                             | 114                        | -                     |
| <b>Transactions with owners</b>                | -                      | -                              | -                                   | 11                             | -                             | 114                        | 125                   |
| Loss for the year                              | -                      | -                              | -                                   | -                              | -                             | (733)                      | (733)                 |
| <b>Total comprehensive income for the year</b> | -                      | -                              | -                                   | -                              | -                             | (733)                      | (733)                 |
| <b>Balance 31 December 2015</b>                | 117                    | 740                            | 4                                   | 542                            | (85)                          | 2,597                      | 3,915                 |

**CONSOLIDATED STATEMENT  
OF CASH FLOWS**  
For the period ended 30 June 2016

|                                                         | 6 Months<br>Ended<br>30 June<br>2016<br>Unaudited<br>£'000 | 6 Months<br>Ended<br>30 June<br>2015<br>Unaudited<br>£'000 | Year<br>ended<br>31 December<br>2015<br>Audited<br>£'000 |
|---------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|
| Loss from operations                                    | (373)                                                      | (539)                                                      | (781)                                                    |
| Adjustment for:                                         |                                                            |                                                            |                                                          |
| Amortisation and impairment of intangible assets        | 130                                                        | 146                                                        | 275                                                      |
| Depreciation of property, plant and equipment           | 32                                                         | 32                                                         | 65                                                       |
| Share based payments                                    | 62                                                         | 62                                                         | 125                                                      |
| Foreign exchange                                        | 1                                                          | (21)                                                       | (17)                                                     |
| Operating cash flows before movement of working capital | (148)                                                      | (320)                                                      | (333)                                                    |
| (Increase)/Decrease in inventories                      | (166)                                                      | 180                                                        | (33)                                                     |
| (Increase)/decrease in receivables                      | (78)                                                       | 10                                                         | (468)                                                    |
| Increase/(decrease) in payables                         | 100                                                        | (322)                                                      | 397                                                      |
| Cash utilised in operations                             | (292)                                                      | (452)                                                      | (437)                                                    |
| Corporation tax (paid)/received                         | -                                                          | -                                                          | 59                                                       |
| <b>Net cash outflow from operating activities</b>       | <b>(292)</b>                                               | <b>(452)</b>                                               | <b>(378)</b>                                             |
| <b>Cash flows from investing activities</b>             |                                                            |                                                            |                                                          |
| Interest received                                       | 3                                                          | 4                                                          | 7                                                        |
| Investment in intangible assets                         | (269)                                                      | (179)                                                      | (423)                                                    |
| Purchase of property, plant and equipment               | (12)                                                       | (6)                                                        | (11)                                                     |
| <b>Net cash used in investing activities</b>            | <b>(278)</b>                                               | <b>(181)</b>                                               | <b>(427)</b>                                             |
| <b>Net decrease in cash and cash equivalents</b>        | <b>(570)</b>                                               | <b>(633)</b>                                               | <b>(805)</b>                                             |
| <b>Cash and cash equivalents at beginning of period</b> | <b>1,588</b>                                               | <b>2,393</b>                                               | <b>2,393</b>                                             |
| <b>Cash and cash equivalents at end of period</b>       | <b>1,018</b>                                               | <b>1,760</b>                                               | <b>1,588</b>                                             |

## **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 June 2016

### **1. CORPORATE INFORMATION**

The financial information for the year ended 31 December 2015 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2015 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The interim results are unaudited. Biome Technologies plc is a public limited company incorporated and domiciled in England & Wales. The company's shares are publicly traded on the AIM market of the London Stock Exchange.

### **2. BASIS OF PREPARATION**

These interim consolidated financial statements (the interim financial statements) are for the six months ended 30 June 2016. They have been prepared in accordance with IFRSs as adopted by the European Union and IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2015.

These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2015.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the interim financial statements.

### **3. BASIS OF CONSOLIDATION**

The Group interim financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 30 June 2016. At 30 June 2016 the subsidiary undertakings were Biome Bioplastics Limited, Stanelco RF Technologies Limited, Aquasol Limited and InGel Technologies Limited.

### **4. GOING CONCERN**

The directors have reviewed forecasts and budgets for the coming 12 months, which have been drawn up with appropriate regard for the current macroeconomic environment and the particular circumstances in which the Group operates. As a result of this process, the directors are satisfied that the group have sufficient resources to continue in operational existence for at least one year from the date of approval of the interim report.

### 5a. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2016

|                                                     | Bioplastics<br>6 Months<br>Ended<br>30 June<br>2016<br>£'000 | RF<br>Technologies<br>6 Months<br>ended<br>30 June<br>2016<br>£'000 | Central<br>Costs<br>6 Months<br>ended<br>30 June<br>2016<br>£'000 | Total<br>6 Months<br>Ended<br>30 June<br>2016<br>£'000 |
|-----------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|
| <b>Unaudited</b>                                    |                                                              |                                                                     |                                                                   |                                                        |
| Revenue from external customers                     | 578                                                          | 1,584                                                               | -                                                                 | 2,162                                                  |
| <b>(LOSS)/PROFIT FROM OPERATIONS</b>                | <b>(146)</b>                                                 | <b>367</b>                                                          | <b>(594)</b>                                                      | <b>(373)</b>                                           |
| Investment revenue                                  |                                                              |                                                                     |                                                                   | 3                                                      |
| Foreign exchange gain                               |                                                              |                                                                     |                                                                   | 1                                                      |
| <b>LOSS ATTRIBUTABLE TO EQUITY<br/>SHAREHOLDERS</b> |                                                              |                                                                     |                                                                   | <b>(369)</b>                                           |
| <b>TOTAL ASSETS</b>                                 | <b>1,965</b>                                                 | <b>2,168</b>                                                        | <b>1,201</b>                                                      | <b>5,334</b>                                           |

### 5b. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2015

|                                                     | Bioplastics<br>6 Months<br>ended<br>30 June<br>2015<br>£'000 | RF<br>Technologies<br>6 Months<br>ended<br>30 June<br>2015<br>£'000 | Central<br>Costs<br>6 Months<br>ended<br>30 June<br>2015<br>£'000 | Total<br>6 Months<br>Ended<br>30 June<br>2015<br>£'000 |
|-----------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|
| <b>Unaudited</b>                                    |                                                              |                                                                     |                                                                   |                                                        |
| Revenue from external customers                     | 1,020                                                        | 1,036                                                               | -                                                                 | 2,056                                                  |
| <b>(LOSS)/PROFIT FROM OPERATIONS</b>                | <b>(72)</b>                                                  | <b>94</b>                                                           | <b>(561)</b>                                                      | <b>(539)</b>                                           |
| Investment revenue                                  |                                                              |                                                                     |                                                                   | 4                                                      |
| Foreign exchange gain                               |                                                              |                                                                     |                                                                   | (27)                                                   |
| <b>LOSS ATTRIBUTABLE TO EQUITY<br/>SHAREHOLDERS</b> |                                                              |                                                                     |                                                                   | <b>(562)</b>                                           |
| <b>TOTAL ASSETS</b>                                 | <b>2,029</b>                                                 | <b>964</b>                                                          | <b>1,936</b>                                                      | <b>4,929</b>                                           |

## 5c. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2015

|                                                 | Bioplastics<br>Year<br>ended<br>31<br>December<br>2015<br>£'000 | RF<br>Technologies<br>Year<br>ended<br>31<br>December<br>2015<br>£'000 | Central<br>Costs<br>Year<br>ended<br>31<br>December<br>2015<br>£'000 | Total<br>Year<br>ended<br>31<br>December<br>2015<br>£'000 |
|-------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------|
| <b>Audited</b>                                  |                                                                 |                                                                        |                                                                      |                                                           |
| Revenue from external customers                 | 1,871                                                           | 3,011                                                                  | -                                                                    | 4,882                                                     |
| <b>(LOSS)/PROFIT FROM OPERATIONS</b>            | <b>(157)</b>                                                    | <b>608</b>                                                             | <b>(1,232)</b>                                                       | <b>(781)</b>                                              |
| Investment revenue                              |                                                                 |                                                                        |                                                                      | 7                                                         |
| Finance charges                                 |                                                                 |                                                                        |                                                                      | -                                                         |
| Foreign exchange gain                           |                                                                 |                                                                        |                                                                      | (18)                                                      |
| <b>LOSS BEFORE TAXATION FROM OPERATIONS</b>     |                                                                 |                                                                        |                                                                      | <b>(792)</b>                                              |
| Taxation                                        |                                                                 |                                                                        |                                                                      | 59                                                        |
| <b>LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b> |                                                                 |                                                                        |                                                                      | <b>(733)</b>                                              |
| <b>TOTAL ASSETS</b>                             | <b>1,816</b>                                                    | <b>2,181</b>                                                           | <b>1,544</b>                                                         | <b>5,541</b>                                              |

### 6. TAXATION

The Group's policy is to recognise tax credits resulting from tax R&D claims on a cash received basis. The claim in respect of the year ended 31 December 2015 has not yet been settled and there is therefore no tax credit recognised in the period under review.

### 7. EARNINGS PER SHARE

The calculation of earnings per share is based on the loss attributable to the equity holders of the parent for the six months of £369,000 (2015: loss of £562,000) and a weighted average of 2,347,536 (2015: 2,347,536) ordinary shares in issue.

Basic and diluted earnings per share are equal in the six months ended 30 June 2016 as all outstanding share options were out of the money for the purposes of the diluted earnings per share calculation.

### 8. OTHER INTANGIBLE ASSETS

Other intangible assets increased in the period as a result of the capitalisation of £269,000 of product development costs exceeding the amortisation charge for the period of £130,000.

### 9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment decreased in the reporting period as a result of the purchase of property, plant and equipment of £12,000 being less than the depreciation charge for the period of £32,000.

### 10. INVENTORIES

The increase in inventories during the reporting period reflects the increase in equipment orders under construction within the Stanelco RF division. These orders are all due for shipment to the customers in the second half of the year.

### 11. TRADE AND OTHER RECEIVABLES

Trade and other receivables have increased during in the reporting period mainly due to the increases in accrued revenue on the equipment orders under construction within Stanelco RF mentioned above.

### 12. TRADE AND OTHER PAYABLES

The increase in trade and other payables during the reporting period primarily reflects the accrued cost of sales on the above mentioned accrued revenue on the equipment orders under construction within the Stanelco RF division.

### **13. RISKS AND UNCERTAINTIES**

The principal risks and uncertainties affecting the business activities of the Group are detailed in the Strategic Report which can be found on pages 8-13 of the Annual Report and Financial Statements for the year ended 31 December 2015 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at [www.biomettechnologiesplc.com](http://www.biomettechnologiesplc.com)

The risks affecting the business remain the same as in the Annual Report. In summary, these risks include:

- changes in the regulatory environments in which the Group operates
- fluctuations in exchange rates
- volatility in raw material prices and supply
- breach of intellectual property rights
- competitors developing more attractive products
- failure to commercialise products
- reliance on a small number of customers for certain products
- financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk.

Further details of how these risks impact the business and how the directors attempt to mitigate the risks can be found in the Annual Report.

## **INDEPENDENT REVIEW REPORT FOR BIOME TECHNOLOGIES PLC**

### **Introduction**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report of Biome Technologies Plc for the six months ended 30 June 2016 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

### **Our responsibility**

Our responsibility is to express a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

**GRANT THORNTON UK LLP**  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

SOUTHAMPTON  
30 August 2016