

4 September 2017

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 2017.

Highlights

- Group revenues in H1 2017 increased by 38% to £3.0m compared with the comparable period last year (H1 2016: £2.2m)
- Gross profit generated of £1.5m (H1 2016: £1.1m) - gross margin maintained at 50% (H1 2016: 50%)
- Biome generated a profit before interest, depreciation, amortisation and share option effects of £0.1m compared to a loss of £0.1m in the first half of 2016
- Group cash position at 30 June 2017 of £1.9m

Paul Mines, Chief Executive Officer said:

"The Group delivered an encouraging performance in the first half with both divisions performing well. Within the Stanelco RF division the order book is strong and lengthening. The Biome Bioplastics division has made significant progress with increased revenues resulting from the new coffee filter material moving into scale commercialisation. The Board remains confident in the Group's outlook for 2017"

For further information please contact:

Biome Technologies plc

Paul Mines, Chief Executive Officer
Declan Brown, Group Finance Director
www.biometechnologiesplc.com

Tel: +44 (0) 2380 867 100

Allenby Capital

David Hart (Nominated Adviser)
Chris Crawford/Kelly Gardiner (Broker)
www.allenbycapital.com

Tel: +44 (0) 20 3328 5656

Chairman's Statement

The Group results for the first half of 2017 were substantially ahead of those seen in the first half of 2016. The Group operating loss of £0.2m was reduced from the £0.4m loss in the prior year.

Group revenues were £3.0m compared to £2.2m in the first half of 2016 due to increases in revenues in both divisions. Gross profit of £1.5m was ahead of the first half of 2016 (£1.1m). Margins, at 50%, were in line with the prior year. Overheads increased by £0.2m over 2016 principally reflecting increased amortisation of development costs and customer support work as new products began commercial sales.

The Group recorded a profit before interest, depreciation, amortisation and share option effects for the six months to 30 June 2017 of £0.1m compared to a loss of £0.1m in the first half of 2016. The loss after taxation was £0.2m (H1 2016: loss £0.4m) equating to a loss per share of nine pence (H1 2016 loss per share 16 pence).

Net increase in cash and cash equivalents in the period was £0.4m which included a small operating cash generation of £0.04m and the receipt of £0.45m from the previously reported settlement agreement. Partially offsetting this was £0.1m expenditure on capitalised development costs and working capital increases. The Group's cash position at 30 June 2017 was £1.9m (31 March 2017: £1.8m; 31 December 2016: £1.5m; 30 June 2016: £1.0m).

Bioplastics Division

Revenues in the Bioplastics division for the first half of 2017 were £1.2m (H1 2016: £0.6m). This increase in turnover reflected good demand for the commercialised products for the US single serve coffee market plus increased sales in the non-woven mesh (launched in 2016). This resulted in a profit before interest, depreciation and amortisation of £0.1m compared to a small loss in the prior year. The operating loss for the period of £0.1m is comparable to the prior year due to the commencement of amortisation on the non-woven mesh intangible asset.

Biome has been continuing its strategy of developing a closely related suite of materials to enable coffee pod producers to sell biodegradable end products to the US consumer market. As previously reported, 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 delivery of a fully compostable pod. The packaging and lid materials have completed their development stages and have been in full production since 2015. The filter material commenced commercial sales in 2016 and in the first half of 2017 these sales increased as the first customer began to scale-up production.

The division continues with its mid-term strategy to develop a new range of lignocellulose-derived bioplastics that can be made at a comparable cost to traditional petro-chemicals. This project has been supported by various government grants and during the first half of the year the Company was awarded an additional grant of £0.6m taking the total project spend in this area to £4.9m. 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 £1.7m (H1 2016: £1.6m) reflecting a continuation of the success achieved in 2016. The division increased its operating profit in the first half to £0.6m (H1 2016: £0.4m).

The performance in the first half of the year reflects a good fibre optic furnace market with a number of furnaces being built and delivered during the period. The division has a solid order book for the remainder of 2017 and into 2018.

Outlook

With both divisions trading well the Group has had an encouraging first half of 2017 and is carrying good momentum into the second half. As a result, the Board expects Group revenues for the full year to be materially ahead of those in 2016 as we make good progress against our strategic objectives.

John Standen

Chairman

**CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**
For the period ended 30 June 2017

	Note	Total for 6 Months Ended 30 June 2017 Unaudited £'000	Total for 6 Months Ended 30 June 2016 Unaudited £'000	Total Year ended 31 December 2016 Audited £'000
REVENUE	5a – 5c	2,979	2,162	4,587
Cost of sales		(1,497)	(1,082)	(2,246)
GROSS PROFIT		1,482	1,080	2,341
Other income				450
Administrative expenses		(1,688)	(1,453)	(3,374)
LOSS FROM OPERATIONS	5a – 5c	(206)	(373)	(583)
Loss from operations before exceptional items & share options charges		(180)	(311)	(476)
Share options charges		(26)	(62)	(107)
Investment revenue		1	3	5
Foreign exchange gain/(loss)		(14)	1	2
LOSS BEFORE TAXATION		(219)	(369)	(576)
Taxation	6	-	-	77
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		(219)	(369)	(499)
Basic and diluted loss per share - pence	7	(9)	(16)	(21)

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**
As at 30 June 2017

		At 30 June 2017 Unaudited £'000	At 30 June 2016 Unaudited £'000	At 31 December 2016 Audited £'000
	Note			
NON-CURRENT ASSETS				
Other intangible assets	8	1,035	1,503	1,164
Property, plant and equipment	9	136	190	164
		<u>1,171</u>	<u>1,693</u>	<u>1,328</u>
CURRENT ASSETS				
Inventories	10	630	1,210	381
Trade and other receivables	11	1,515	1,413	1,345
Cash and cash equivalents		1,885	1,018	1,535
		<u>4,030</u>	<u>3,641</u>	<u>3,261</u>
TOTAL ASSETS		<u><u>5,201</u></u>	<u><u>5,334</u></u>	<u><u>4,589</u></u>
CURRENT LIABILITIES				
Trade and other payables	12	1,871	1,726	1,066
		<u>1,871</u>	<u>1,726</u>	<u>1,066</u>
TOTAL LIABILITIES		<u><u>1,871</u></u>	<u><u>1,726</u></u>	<u><u>1,066</u></u>
NET ASSETS		<u><u>3,330</u></u>	<u><u>3,608</u></u>	<u><u>3,523</u></u>
EQUITY				
Share capital		117	117	117
Share premium account		740	740	740
Capital redemption reserve		4	4	4
Share options reserve		480	586	454
Translation reserve		(85)	(85)	(85)
Retained profits/(losses)		2,074	2,246	2,293
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND TOTAL EQUITY		<u><u>3,330</u></u>	<u><u>3,608</u></u>	<u><u>3,523</u></u>

The interim statements were approved by the Board on 4 September 2017.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)
Declan L Brown (Group Finance Director)
1 September 2017

**CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY**

As at 30 June 2017

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserve £'000	Retained earnings £'000	TOTAL EQUITY £'000
Unaudited							
Balance at 1 January 2017	117	740	4	454	(85)	2,293	3,523
Share options issued in share based payments	-	-	-	26	-	-	26
Cancellation of time expired share options	-	-	-	-	-	-	-
Transactions with owners	-	-	-	26	-	-	26
Loss for the period	-	-	-	-	-	(219)	(219)
Total comprehensive income for the period	-	-	-	-	-	(219)	(219)
Balance 30 June 2017	117	740	4	480	(85)	2,074	3,330
Unaudited							
Balance at 1 January 2016	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	-
Transactions with owners	-	-	-	44	-	18	62
Loss for the period	-	-	-	-	-	(369)	(369)
Total comprehensive income for the period	-	-	-	-	-	(369)	(369)
Balance 30 June 2016	117	740	4	586	(85)	2,246	3,608

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserves £'000	Retained earnings £'000	TOTAL EQUITY £'000
Audited							
Balance at 1 January 2016	117	740	4	542	(85)	2,597	3,915
Share options issued in share based payments	-	-	-	107	-	-	107
Cancellation of time expired share options	-	-	-	(195)	-	195	-
Transactions with owners	-	-	-	(88)	-	195	107
Loss for the year	-	-	-	-	-	(499)	(499)
Total comprehensive income for the year	-	-	-	-	-	(499)	(499)
Balance 31 December 2016	117	740	4	454	(85)	2,293	3,523

**CONSOLIDATED STATEMENT
OF CASH FLOWS**
For the period ended 30 June 2017

	6 Months Ended 30 June 2017 Unaudited £'000	6 Months Ended 30 June 2016 Unaudited £'000	Year ended 31 December 2016 Audited £'000
Loss from operations	(206)	(373)	(583)
Adjustment for:			
Amortisation and impairment of intangible assets	203	130	653
Depreciation of property, plant and equipment	31	32	64
Share based payments	26	62	107
Foreign exchange	(11)	1	-
Operating cash flows before movement of working capital	43	(148)	241
(Increase)/Decrease in inventories	(249)	(166)	664
(Increase)/decrease in receivables	(174)	(78)	(8)
Increase/(decrease) in payables	805	100	(561)
Cash utilised in operations	425	(292)	336
Corporation tax (paid)/received	-	-	77
Net cash (outflow)/inflow from operating activities	425	(292)	413
Cash flows from investing activities			
Interest received	1	3	5
Investment in intangible assets	(73)	(269)	(452)
Purchase of property, plant and equipment	(3)	(12)	(19)
Net cash used in investing activities	(75)	(278)	(466)
Net decrease in cash and cash equivalents	350	(570)	(53)
Cash and cash equivalents at beginning of period	1,535	1,588	1,588
Cash and cash equivalents at end of period	1,885	1,018	1,535

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2017

1. CORPORATE INFORMATION

The financial information for the year ended 31 December 2016 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 2016 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 2017. 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 2016.

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 2016.

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 2017. At 30 June 2017 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 2017

	Bioplastics 6 Months Ended 30 June 2017 £'000	RF Technologies 6 Months ended 30 June 2017 £'000	Central Costs 6 Months ended 30 June 2017 £'000	Total 6 Months Ended 30 June 2017 £'000
Unaudited				
Revenue from external customers	1,241	1,738	-	2,979
(LOSS)/PROFIT FROM OPERATIONS	(139)	558	(625)	(206)
Investment revenue				1
Foreign exchange loss				(14)
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS				(219)
TOTAL ASSETS	1,550	1,754	1,897	5,201

5b. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2016

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

5c. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2016

	Bioplastics Year ended 31 December 2016 £'000	RF Technologies Year ended 31 December 2016 £'000	Central Costs Year ended 31 December 2016 £'000	Total Year ended 31 December 2016 £'000
Audited				
Revenue from external customers	1,585	3,002	-	4,587
(LOSS)/PROFIT FROM OPERATIONS	(60)	713	(1,236)	(583)
Investment revenue				5
Finance charges				-
Foreign exchange gain				2
LOSS BEFORE TAXATION FROM OPERATIONS				(576)
Taxation				77
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS				(499)
TOTAL ASSETS	2,247	659	1,683	4,589

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 2016 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 £219,000 (2016: loss of £369,000) and a weighted average of 2,347,536 (2016: 2,347,536) ordinary shares in issue.

Basic and diluted earnings per share are equal in the six months ended 30 June 2017 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 decreased in the period as a result of the amortisation charge of £203,000 exceeding the capitalisation of product development costs for the period of £73,000.

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 £3,000 being less than the depreciation charge for the period of £31,000.

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 over the next few months.

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables have increased during the reporting period mainly due to the increases in accrued revenue on the equipment orders under construction within Stanelco RF mentioned above as well as increased trade debtors due to the timing of shipments. Partially offsetting these increases was the decrease in other debtors as a result of the £450,000 received under the previously reported settlement agreement.

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 as well as the timing of deposits received on those orders.

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 2016 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at 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 2017 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 2017 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
1 September 2017