

Audited Final Results 2020

Paul Mines, CEO/Rob Smith, CFO

March 2021



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Group businesses support global trends

BIOME
BIOPLASTICS



Tackling the global plastics problem

Our materials have made over **half a billion** compostable coffee pods in the last year alone

STANELCO
RF TECHNOLOGIES



Supporting global internet connectivity

Our latest equipment supports the rollout of **120 million km** of fibre optic cable each year

Board changes



CFO – Rob Smith

Rob is a chartered management accountant with significant experience in leadership roles in a number of technology companies, where he has been instrumental in leading growth strategies and improving operational efficiencies.

Most recently, Rob served in the CFO and CEO roles at Filtronic plc, an AIM listed electronics designer and manufacturer of advanced filters, antennas and transceivers.

Prior to this he was Finance Director of AIM listed APC Technology Group, a specialist distributor and manufacturer of electronic components and semiconductor products with a focus on green technology industries.



NED – Simon Herrick

Simon will assume the responsibilities previously held by Michael Kayser as Chair of the Audit and Remuneration Committees, after Michael retires from the Board at the Company's AGM on 21 April 2021

Simon qualified as a Chartered Accountant with Price Waterhouse and has held a number executive director roles with listed companies including Northern Foods plc, Debenhams plc and Blancco Technology Group plc.

Simon is currently NED and chair of Audit and Remuneration Committees at both Ramsdens Holdings PLC and FireAngel Safety Technology Group plc.

2020 highlights

Bioplastics division

- revenue grew by 65.4%
- growth driven by both existing and new products (particularly in USA)
- customer base and application base broadening
- pipeline of customer positions and prospects growing as market acceptance increases
- climate change/plastics pollution issues driving a sea-change in market approach

RF Technologies division

- revenues decline due to very quiet market for fibre optic furnaces
- other capital goods markets subdued due to Covid-19

Group

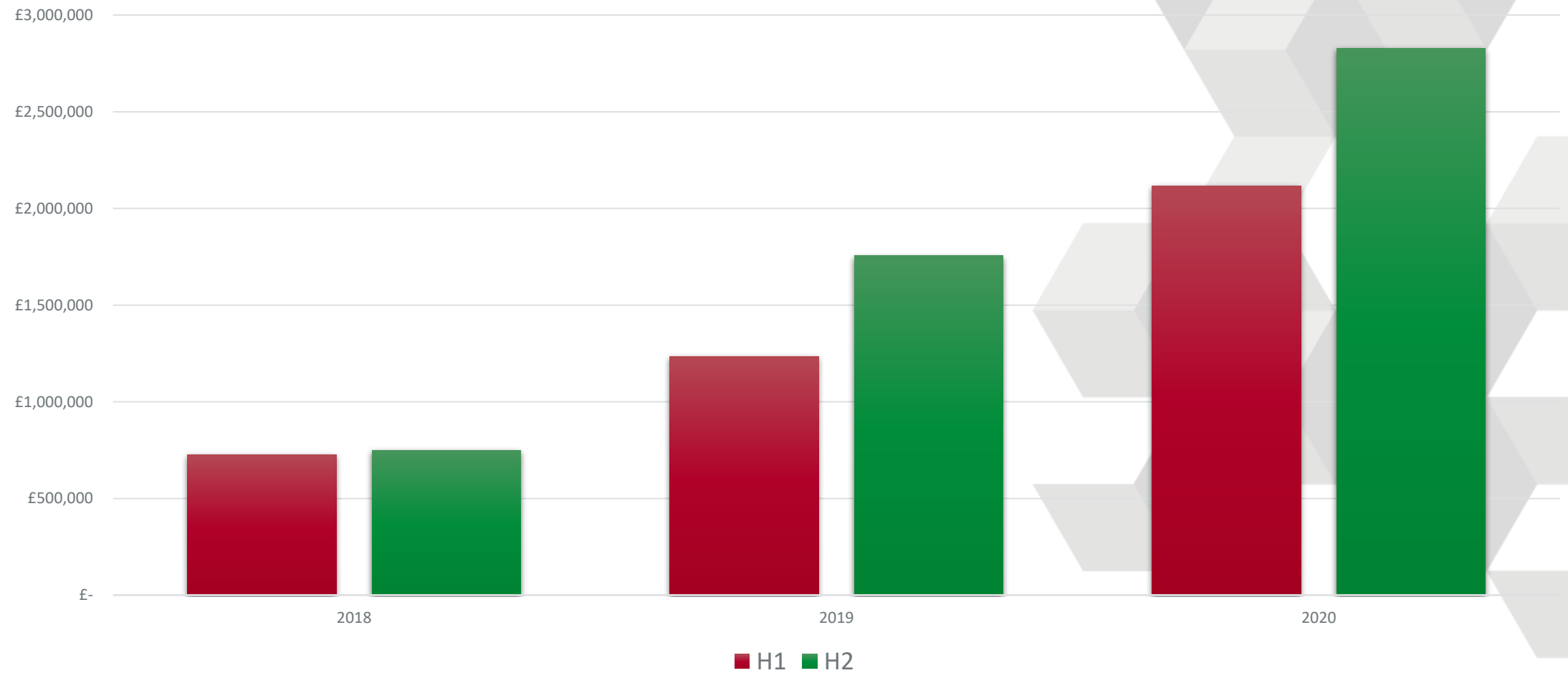
- Raised £1.0m (net of costs) in H2 2020 to further support emerging growth of bioplastics business

2020 results

	2019 £m	2020 £m	Comment
Group Revenue <i>(excludes grant income)</i>	7.0	5.8	
Bioplastics division	3.0	4.9	65.4% revenue growth as new products adopted in market
RF Technologies division	4.0	0.8	Further reduction in demand as demand for fibre furnaces subdued
(Gross Margin)	43%	29%	Change in product mix towards Bioplastics
Overheads	(4.5)	(3.6)	Overheads trimmed in RF and Central to mitigate low demand and Covid-19
(L)/EBITDA	(0.5)	(0.9)	
Operating loss	(1.0)	(1.6)	
Opening Cash	2.6	2.1	
Reported (L)/EBITDA	(0.5)	(0.9)	
Working Capital	(1.1)	(0.1)	
Investment/R&D tax credit	(0.1)	(0.3)	
Financing Activities	1.2	0.9	
Closing Cash	2.1	1.7	

See Final Results for further details

Bioplastics division – sales growth



Bioplastics division growth drivers - update

<i>Project</i>	<i>Application</i>
Existing customer growth	Growth from our existing customers and products remains positive. We expect growth in flexible film in North America to be more pronounced in the medium term.
Filtration mesh (patent application pending)	This project is going well and implementation underway. Revenues will become significant and recurring from H2 2021 and for the whole of 2022 and beyond, thus delivering a major part of our KPI target. (RNS of 23 March 2021 highlighting key progress)
Coffee pod material	In addition to continued demand from the lead customer (as previously announced) this material is now being trialled at several other end-user organisations. We expect significant commercial progress in this area in H2 this year and beyond.
Packaging film	Six of these original projects continue at pace with trials either taking place in Q1 or expected for Q2 2021. One project with an end-user in the USA has been suspended due to the pandemic. A further pipeline of new customer projects of scale has been added to this growth driver and trial orders have been placed by customers in Q1 this year. We expect two or three of these to become commercially meaningful and generate recurring revenue towards the end of this year.

Group outlook

- Bioplastics division is in a continuing strong growth phase (particularly driven by food and beverage end-uses), we continue to identify new opportunities; team focussed on on-boarding new end customers for H2.
- End-customer has now ordered further equipment that will help to unlock the use of Biome's compostable filtration material on a significant portion of the customer's installed capacity, supporting Bioplastics growth for 2021 and beyond (RNS 23 March 2021)
- Tree shelter project in 2nd phase and supported by £248k of further funding contract from Innovate UK. Too early to predict scale or timing of commercial deployment
- Some lead indicators of fibre optic demand returning for RF technology division but not yet converted to significant orders.
- First quarter trading 2021 anticipated to be in line with management's expectations
- Group signed up to "Race to Zero" emissions as we demonstrate our ESG credentials, which we see as becoming increasingly important for customers and shareholders.
- Cash position as at 24 March 2021: cash £1.7m and no debt (YE 2020 £1.7m)
- We continue to work our cash resources to manage our working capital through to cash breakeven
- AGM and Q1 Trading Update on 21 April 2021

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Shareholders (31 December 2020)

Principal shareholders

<i>Holder</i>	<i>Shares</i>	<i>%</i>
Mr V Pereira (and spouse)	667,356	17.96%
Mr JM Rushton-Turner	406,384	10.94%
Seguro Nominees Limited	193,634	5.21%
Mr M McNulty	166,666	4.49%

Directors

<i>Holder</i>	<i>Shares</i>	<i>%</i>
Mr Paul Mines	44,025	1.18%
Mr John Standen (and spouse)	70,836	1.91%
Mr Rob Smith	3,000	0.08%
Mr Michael Kayser	4,071	0.11%