

Interim Results 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

2021 - interim highlights

Bioplastics division

- revenue grew by 7.3% (compared to H1 2020) despite logistics challenges
- new customer win for filtration mesh and trials started at 2 further customers
- customer base and application base broadening
- pipeline of customer positions and prospects growing as market acceptance increases

RF Technologies division

- revenues flat due to quiet market for fibre optic furnaces, but leading indicators suggest end-market recovery
- notable contract wins for dielectric welding and induction heating equipment with H2 2021 delivery dates

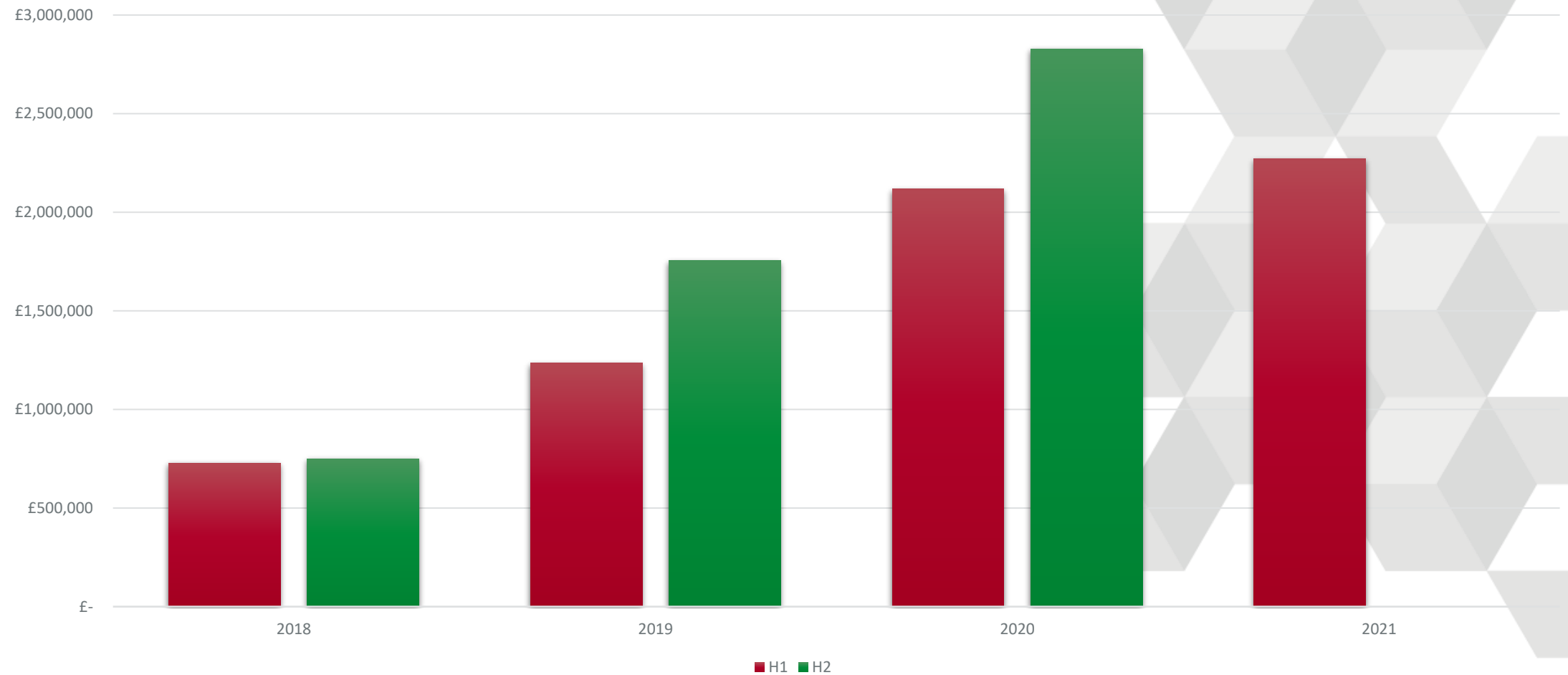
Current trading continues in line with the Board's expectations set out in the trading updates of 1 and 29 July 2021

2020 results

	H1 2020 £m	H1 2021 £m	Comment
Group Revenue <i>(excludes grant income)</i>	2.5	2.6	
Bioplastics division	2.1	2.3	7.3% continuance of growth, rate limited by global logistics issues
RF Technologies division	0.4	0.3	Fibre optic furnace market recovering but fixed asset investment lagging
(Gross Margin)	30.1%	33.1%	Improved product mix towards proprietary filtration mesh
Overheads	(1.7)	(1.6)	Overheads marginally increased
(L)/EBITDA	(0.4)	(0.5)	
Operating loss	(0.8)	(0.8)	
Opening Cash	2.1	1.7	
Reported (L)/EBITDA	(0.4)	(0.5)	
Working Capital	(0.6)	0.4	
Investment/R&D	0.0	(0.2)	
Financing Activities	0.0	0.0	
Closing Cash	1.1	1.4	

See Interim Results for further details

Bioplastics division – sales growth



Bioplastics division growth drivers - update

Project

Application

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. Shipping delays constrained H1.

Filtration mesh (one patent application granted and one pending)

This project is going well despite the delay in implementation at the second end customer. We expect scale-up to continue in Q4 2021. Revenues will become significant for 2022, thus delivering a major part of our KPI target. (RNS of 23rd March 2021 highlighting key progress). We are also at early stage with trials with other potential customers.

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-users. We expect commercial progress in this area in H2 this year and beyond.

Packaging film

Six of these original projects continue at pace with trials taking place in H1. A further pipeline of new customer projects of scale has been added to this growth driver and trial orders have been placed by customers this year.

Group outlook

- Bioplastics division is continuing to see strong demand pull for products in trial and commercialisation phase. We working through the challenges of shipping/distribution.
- New filtration mesh customer resolving facilities constraint, expected to enable further conversion in Q4 2021
- Tree shelter project in 2nd phase (supported by £248k of funding contract from Innovate UK); we are expediting commercialisation phase as a result of customer pull
- Leading indicators suggest demand returning for RF technology division but unlikely to provide substantial benefit to 2021 . Contracts won for dielectric welding and induction heating equipment for delivery in H2 2021
- Current trading continues in line with the Board's expectations set out in the trading updates of 1 and 29 July 2021
- Cash position at 30 June 2021 cash £1.4m and no external bank borrowing (YE 2020 £1.7m)
- We continue to work our cash resources to manage our working capital

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Mr V Pereira (and spouse)	667,356	17.77%
Mr JM Rushton-Turner	406,384	10.82%
Mr P Evershead CBS (and family accounts)	279,445	7.44%
Seguro Nominees Limited	193,634	5.16%
Mr J Waite	113,000	3.01%

Directors

<i>Holder</i>	<i>Shares</i>	<i>%</i>
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Mr John Standen (and spouse)	70,836	1.89%
Mr Rob Smith	3,000	0.08%