

Corporate

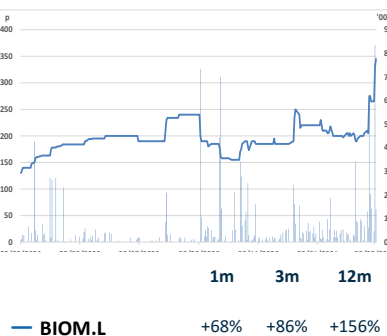
 Current price **345p**

 Sector **Chemicals**

 Code **BIOM.L**

 AIM **AIM**

Share Performance



Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **12.8**

 Shares in issue (m) **3.7**

| 52 weeks | High | Low |
|----------|-------------|-------------|
| | 330p | 135p |

 Financial year end **December**

Source: Company Data, Allenby Capital

Key Shareholders

| | |
|---------------------------|--------|
| Mr V Pereira (and spouse) | 17.96% |
| Mr JM Rushton-Turner | 10.94% |
| Seguro Noms | 5.21% |
| Mr M McNulty | 4.49% |
| Directors | 3.28% |

Source: Company Data, Allenby Capital

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Biome Technologies plc (BIOM.L)

Encouraging progress in Bioplastics continues

Biome Technologies (Biome), reported LBITDA for the year in line with our forecast and on a broader canvas continued to paint a picture of increasing momentum within the marketplace and a continuing shift towards the use of compostable bioplastics in a number of sectors. This momentum was demonstrated by an increase in revenues from the Bioplastics division and a year-on-year (yoy) reduction in the loss attributable to that division. The outlook continues to be increasingly positive and improving traction should result in a strong 2021, especially in the second half. The RF Technologies division was impacted by overcapacity in the fibre optic cable market subduing the demand for new furnaces but the outlook seems to be improving, albeit modestly. We look forward to further improvements in the Group's bottom line and have a fair value target of 750p.

- Full year results impacted by the weakness of demand in the RF division** – For the year to December 2020, Biome reported a decrease in revenues of 18% to £5.7m, with the reduction in activity levels within the RF Technologies division offsetting a strong performance in Bioplastics which now accounts for 87% of group revenues. The Group's LBITDA also deteriorated to £0.9m (2019: £0.5m) but once again disguising an improving performance from the Bioplastics division. Net cash at the year-end stood at £1.7m reflecting a successful fund raise in Q4 2020 and at 24 March remained at £1.7m.
- Further progress in Bioplastics** – Momentum within the key Bioplastics division continued during the year with revenues ahead by 71% in H1 and 61% in H2. Overall, divisional revenues increased by 65% to £4,946,000 (2019: £2,991,000) excluding grant income. Good progress continues to be achieved from new and existing customers with a growing and very encouraging pipeline of prospects particularly in filtration mesh and coffee pod material with the former crystallising into a new customer commitment.
- RF revenues substantially lower yoy** – The RF Technologies division had a difficult year with revenues falling by 81% from £3,966,000 to £759,000 and against an all-time high of £6,960,000 achieved in 2018. Demand for fibre optic furnaces, the division's key product line, was once again impacted by a global overcapacity in fibre optic cable manufacturing industry and the market is likely to remain subdued in the near term although management did note some glimmers of recovery in the form of an increase in enquiries.
- Forecasting a positive maiden EBITDA next year** – Our forecasts for 2021 are unchanged at this time; the new customer for filtration mesh announced on 23 March, was already factored into our numbers. For 2022 we are projecting 40% revenue growth in Bioplastics (in line with management's KPI targets) and a modest recovery in RF Technologies. This is forecast to lead to a maiden positive EBITDA, cash generation and a close to breakeven position at the pre-tax level. Q1 trading is in line with management expectations.
- Biome has reached an important inflexion point in our opinion and we expect all key financials to show strong growth and the share price to demonstrate good momentum from here on – reflected in our fair value price target of 750p (see page 8).**

Year End: December

| (£'000) | 2019A | 2020A | 2021E | 2022E |
|---------------|-------|--------|-------|--------|
| REVENUE | 6,957 | 5,705 | 8,600 | 12,010 |
| ADJ. EBITDA | -492 | -917 | -618 | 322 |
| ADJ. PBT | -887 | -1,459 | -968 | -52 |
| ADJ. EPS (p) | -30.0 | -43.0 | -23.4 | 1.3 |
| NET CASH (£m) | 2,126 | 1,678 | 600 | 787 |

Allenby Capital acts as Nomad & Broker to Biome Technologies plc (BIOM.L).

Please refer to the last page of this communication for all required disclosures and risk warnings.

Activities and financial summary

Biome Technologies plc is an AIM listed, growth-orientated, commercially driven technology group. The Group comprises two divisions, Biome Bioplastics Limited (“Bioplastic”) and Stanelco RF Technologies Limited (“RF Technologies”).

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

Stanelco 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.

| EXHIBIT 1: FULL YEAR FINANCIAL SUMMARY | | |
|---|---------------|---------------|
| Years to December | 2020 | 2019 |
| | £000 | £000 |
| INCOME STATEMENT | | |
| Revenue | 5,705 | 6,957 |
| Gross profit | 1,676 | 3,024 |
| <i>margin</i> | 29.4% | 43.5% |
| Other income | 300 | 436 |
| Administrative expenses (before D&A and SBC) | -2,893 | -3,952 |
| Adjusted LBITDA | -917 | -490 |
| <i>margin</i> | -16.1% | -7.0% |
| D&A | -418 | -394 |
| Net interest | -36 | -3 |
| FX | -88 | 0 |
| Adjusted loss before tax | -1,459 | -887 |
| Share based charges | -240 | -136 |
| Statutory loss before tax | -1,699 | -1,023 |
| BALANCE SHEET | | |
| Total non-current assets | 1,395 | 1,536 |
| Current assets | 2,340 | 2,440 |
| Cash | 1,678 | 2,126 |
| Total current assets | 4,018 | 4,566 |
| Total assets | 5,413 | 6,102 |
| Total current liabilities | -1,114 | -1,457 |
| Total non-current liabilities | -400 | -438 |
| Total liabilities | -1,514 | -1,895 |
| Net assets | 3,899 | 4,207 |
| Net current assets | 2,904 | 3,109 |
| CASH FLOW | | |
| Operating cash flow before working capital | -917 | -481 |
| Net working capital movement | -138 | -1,092 |
| Tax | 0 | 205 |
| Interest paid | -38 | -2 |
| Net cash outflow from operating activities | -1,093 | -1,370 |
| Net cash used in investing activities | -275 | -303 |
| Net proceeds from fund raise | 996 | 1,196 |
| Repayment of obligations under leasing activities | -76 | -11 |
| Net cash from financing activities | 920 | 1,185 |
| Net decrease in cash | -448 | -488 |
| Year-end cash | 1,678 | 2,126 |

Source: Biome Technologies

EBITDA loss in line with forecast

The EBITDA loss for 2020 was in line with our forecast, coming in at £917,000 against our projection of a loss of £950,000. Revenues were a little lower than we had predicted at £5,705,000 against our expectation of £6,100,000, solely due to the timing of product offtake.

Cost reductions in RF

Administrative costs (before depreciation & amortisation) were lower, due to cost cutting within the RF Technologies division to better reflect the ongoing level of sales within this cyclical business and represented 50.7% of revenues against 56.8% a year earlier.

The resulting adjusted loss before tax was £1,459,000 against £887,000 in 2019 again reflecting the weakness within the RF Technologies division. This element of the business has now stabilised and is no longer expected to create a drag on Group results in 2021.

Cash outflow

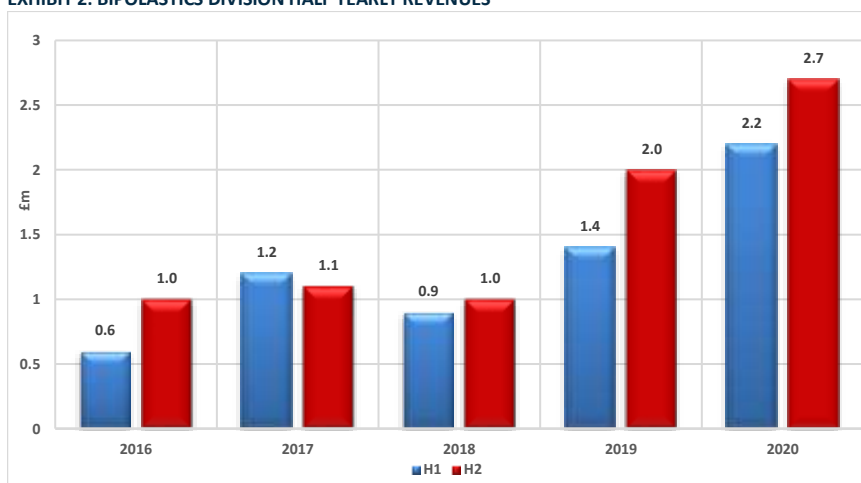
Given the absence of profit generation, there was an inevitable cash outflow at the operating level of £1,093,000 although lower than the outflow in 2019 and a further £700,000 was spent on product research and development of which £275,000 was capitalised.

Cash balance of £1.7m at 24 March

In Q4 2020, Biome raised a net £996,000 from a placing at 120p per share which improved cash levels, and so end the year with cash of £1,678,000 versus £2,126,000 at the end of 2019 and £1,074,000 at the end of June 2020. At the 24 March 2021, the Group reported that cash balances remained at £1.7m.

Bioplastics division

EXHIBIT 2: BIPOLASTICS DIVISION HALF YEARLY REVENUES



Source: Biome Technologies

Impressive growth continues and is expected to accelerate in 2021

Bioplastics continued its impressive growth from a revenue position of just £1.9m in 2018 to the £4.9m reported for the year to December 2020. There can be no doubt that the impetus for sustainable and environmentally friendly products is creating the ideal platform for the increasing level of sales of the Bioplastics division. This momentum is increasing but is currently being driven by the US market given the relatively slower rate of adoption by the UK and other countries.

Divisional revenues rose by 71% in H1 and 61% in H2. Overall, revenues increased by 65% to £4,946,000 (2019: £2,991,000) excluding grant income and the loss before interest, tax, depreciation & amortisation, share based charges and central costs reduced from £819,000 to £118,000. The operating loss also reduced from £1,176,000 to £517,000.

Growth generated from new and existing customers

Revenue growth was generated from both existing and new customers. As an example of the former, the division benefitted from the receipt of an order worth \$0.6m from an existing major client which represented the largest single order to date for its heat-stable and compostable bioplastic for coffee pod applications. Deliveries under this order were completed in the financial year just reported.

Several high-quality projects expected to contribute to revenues in 2021...

In addition, the division has received several high-quality projects/products with significant revenue potential which have come through the development cycle and are now likely to be key contributors to the Group's revenue stream in 2021. In this regard the Company points to the following developments:

Filtration mesh - The Company envisages growth with a second end-customer with a material that has been proven with an existing customer over the last three years. Implementation of this project is underway and management confidently expects the implementation phase to complete this year and for an ongoing income stream to flow from this customer from H2 2021. **Revenues are expected to become significant and recurring from H2 2021 and for the whole of 2022, thus delivering a major part of the Group's KPI target of 40% growth in the division.**

More information on this new customer contract commitment was given in an RNS on 23 March 2021 and as it was widely anticipated and noted by the Company in earlier announcements, has already been factored into our 2021 forecasts.

Coffee pod material - The Company launched a project for a heat stable material for coffee pods within the US at the end of 2019. Commercial sales of this product are gaining momentum and in addition to continued demand from the lead customer (as previously announced) this material is now being trialled at several other end-user organisations. **Management expects significant commercial progress in this area in H2 2021 and beyond.**

Packaging film - The Company is currently working on seven new customer projects that focus on the conversion of flexible packaging to compostable formats. Six of these projects are for the North American Market. 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 COVID-19. 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. **Management expects two or three of these projects to become commercially meaningful and generate recurring revenue towards the end of 2021.**

Flexible film & other existing products – The Company expects to see continued growth from existing customers with existing products, especially flexible film in both industrial and particularly home compostable formats, in the North American market. **Growth from existing customers and products remains positive and management expects the growth in flexible film in North America to be more pronounced in the medium term.**

...providing the traction required to reach 40% pa growth target

We expect the above developments to provide the momentum and traction to achieve at least the basic 40% KPI target for yoy revenues growth in this division.

Tree shelters also a longer-term opportunity

Although still at a relatively early stage, we are also very encouraged by the progress being made in the development and testing of a new generation of biodegradable tree shelters in conjunction with Suregreen, a leading UK manufacturer of tree shelters.

In the UK, around 13,460 hectares (ha) of new woodland was created in 2019/20 (2,330 in England, 10,860 in Scotland, 200 in Northern Ireland and 80 in Wales) most using non-biodegradable tree shelters for protection, with thousands of tons of persistent plastics ending up in the natural environment after use. Government targets of establishing

New funding from Innovate UK of £248k

30,000 ha of new woodland in England by 2050 as part of the UK's drive to mitigate climate change will exacerbate this problem.

The tree shelter project was initially awarded funding of £58,843 from the government-backed Innovate UK agency in November 2020 and in March 2021 secured a further £248,000 to complete the development phase and reach commercial production.

The Suregreen team has broad experience in the manufacture and sale of such products and is expected to involve its forestry customers in product assessment of the tree shelters. Although Biome/Suregreen is still some way from commercialisation, this promises to be another source of revenue and one that could be exported to other countries with similar soil conditions to England, for example Northern Europe.

Biome joins Race to Zero climate commitment

Race to Zero

In March 2021, Biome signed the SME Climate Commitment which has been designed specifically for small and medium-sized enterprises to align their operations with the latest climate science. By making the SME Climate Commitment, Biome will be recognised by the United Nations' *Race to Zero* campaign, which is aimed at achieving net zero carbon emissions by 2050. Biome joins a wide range of governments, businesses, cities, regions, and universities around the world that share the same mission.

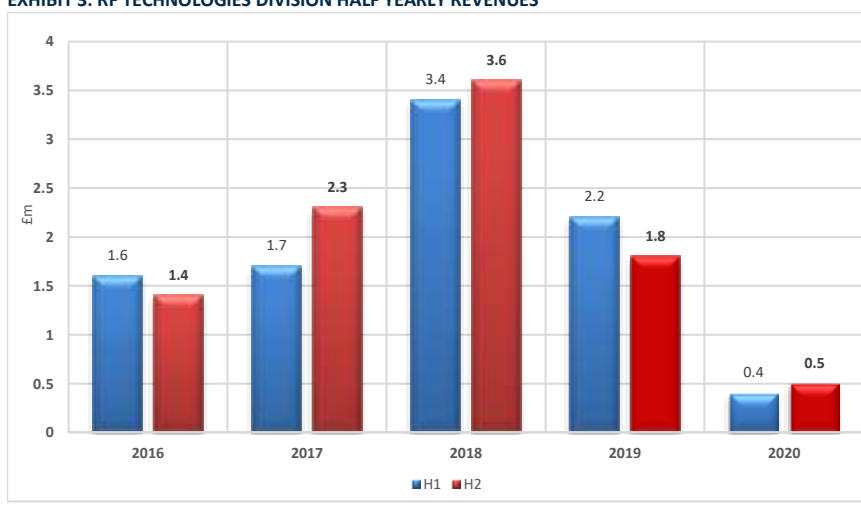
Biome is now making this public commitment to accelerate its actions in order to:

- Halve its greenhouse gas emissions before 2030.
- Achieve net zero emissions before 2050.
- Disclose progress on a yearly basis.

Biome will commence reporting on progress towards achieving the commitment to Race to Zero beginning with its Annual Report and Financial Statements for the year ending 31 December 2021.

RF Technologies division

EXHIBIT 3: RF TECHNOLOGIES DIVISION HALF YEARLY REVENUES



Source: Biome Technologies

The RF Technologies division operates in a cyclical end market primarily related to the global demand for fibre optic cable for which the division manufactures fibre optic furnaces.

Revenues peaked in 2018 and are now at a cyclical low...

As illustrated in Exhibit 3 above, for Biome, this market reached a cyclical peak in 2018 during which year the division reported revenues of £6,960,000. In 2019 as demand began to decline from the peak, revenues fell by 43% to £3,966,000 and fell further in 2020 by 81% to £759,000, excluding £45,000 of inter-company sales relating to equipment invoiced to the Bioplastics division and utilised by a new customer for its filtration mesh.

...due to overcapacity in fibre optic cable

As is probably widely known now, the decline in revenues is a direct result of the current overcapacity in the market for fibre optic cable caused in part by the cyclical nature of the sector and the delay in the global deployment of 5G technology caused by COVID-19 and aggravated further by geopolitical influences. These factors led to the temporary shutdown of several manufacturing facilities at RF Technologies' customers, with a consequential reduction in the requirement for the division to provide equipment, spares and service support.

The expectation is that in the longer term the fibre optic cable market will benefit from the pandemic through the enhanced pace of global digitisation required to meet the demands of, for example, increased home working and the 5G roll-out. However, the reality is that in the short term, demand is likely to remain weak.

At the peak of the cycle the division was highly profitable and cash generative but since then the cycle has turned and overheads have been cut considerably and commensurately. Initiatives to diversify the division's revenue stream have been hampered by the COVID-19 pandemic, due to the difficulties in engaging with new customers and a number of potential opportunities have been put on hold as clients deferred capital expenditure.

Lower levels of activity have stabilised and can be accommodated

We do not anticipate the significant reduction in activity at RF Technologies being a cash drain on the Group, partly because of the cost reductions that have already taken place which have positioned the business to run pretty much at breakeven at current revenue levels. We also believe that revenues within the division have now stabilised and from here on would be unlikely to have a negative impact on growth for the Group as a whole.

Some early signs of recovery

Indeed, management reports that 2021 has started with "some glimmers of recovery" in the fibre optic sector and the division has started to receive more enquiries both for new fibre optic furnaces as well as spares and service orders although the division is not anticipating a material pickup of demand in the near future.

Conclusion, forecasts, and valuation

The global market for bioplastics is predicted to grow by around 25% CAGR over the next 5 years¹. Supporting this growth is an increasing momentum amongst packaging companies and brand owners worldwide towards the adoption of recyclable and compostable plastic. In the US, this has manifested itself in initiatives such as the US Plastics Pact with a target to recycle or compost 50% of all plastic packaging by 2025 and also targets the recycling of bio-based content of plastic packaging to be 30% by 2025.

In the UK, a consortium of companies that account for some 80% of all consumer packaging have formed the UK Plastics Pact which targets 100% of plastic packaging to be reusable, recyclable, or compostable by 2025. In addition, the UK has mandated universal food waste collection by 2023 – thus developing a route for compostables.

These and other worldwide initiatives have permanently turned the tide of the indiscriminate usage of plastic that cannot be recycled or composted. The world of plastic

¹ Hasso von Pogrell, MD European Bioplastics, BIOPLASTICS MARKET-GROWTH, TRENDS AND FORECAST (2019-2024). Mordor Intelligence

packaging is changing and it is changing to the advantage of Biome Technologies and other producers of alternative bio-based plastics. This is becoming increasingly evident within the Company as the Bioplastics division continues to gain momentum. The Board has a clear growth trajectory for Bioplastics in 2021 that rests primarily on substantial extensions of positions with existing customers.

Existing customers are growing their own sales and their portfolio of compostable product lines. Furthermore, the development pipeline continues to strengthen as both mid-size and larger brands approach the Company to undertake new development projects. Consequently, we continue to believe that the Group is well positioned to benefit from this growing and irreversible trend.

The Board states that trading in Q1 has been in line with internal expectations and the outlook for the year remains unchanged.

2021 forecasts unchanged except for higher year end cash

Forecasts

Forecasts for 2021 are unchanged. The very recent announcement of a new customer commitment for filtration mesh was widely anticipated and was already factored into our forecasts for the current year. However, momentum continues to build very encouragingly and the prospects remain excellent for the division. Expectations for year end 2021 cash have been increased from £400k to £600k as a result of improving cash management.

Forecasts for 2022 primarily based on Bioplastics achieving internal KPI revenue growth targets

We offer forecasts for 2022 for the first time and these are largely based on Bioplastics achieving the revenue growth KPI set by the board of 40%. With some modest recovery from the RF Technologies division our expectation is for 2022 to show a maiden positive EBITDA and a close to breakeven position at the pre-tax level from which the Group should be cash generative, depending of course on the level of growth working capital required by the business.

Little or no comparator companies to use as a reference...

Valuation

With limited, if any, quoted companies operating in the same space as Biome and the current forecasted losses it is difficult to present a valuation based on traditional metrics such as PER and EV/EBITDA.

However, our belief that the shares are undervalued is supported on an analysis of the EV/Sales of smaller companies within the Chemicals sector that on average show a ratio of 4.2x for Year 1 forecasts and 4.1x for Year 2.

...however, on an EV/Sales basis we believe a 750p fair value target is appropriate

On this basis and applying a sizeable discount of around 25% we arrive at a share price of around 750p which we believe is a reasonable short to medium term target (the shares reached a peak of 645p in January 2019) that would value the business on an EV/Sales of 3.2x 2021 forecasts and 2.3x for 2022.

Income statement and forecasts

EXHIBIT 4: INCOME STATEMENT AND FORECASTS

| Y/E December | £000 FY 2019A | £000 FY 2020A | £000 FY 2021E | £000 FY 2022E |
|--|------------------|------------------|------------------|------------------|
| UNDERLYING | | | | |
| Bioplastics division | 2,991 | 4,946 | 7,400 | 10,360 |
| RF division | 3,966 | 759 | 1,200 | 1,650 |
| Total revenue | 6,957 | 5,705 | 8,600 | 12,010 |
| Cost of Sales | (3,933) | (4,029) | (6,165) | (8,616) |
| Gross Profit | 3,024 | 1,676 | 2,435 | 3,394 |
| <i>Gross Profit margin</i> | <i>43.5%</i> | <i>29.4%</i> | <i>28.3%</i> | <i>28.3%</i> |
| Other operating income | 436 | 300 | 200 | 300 |
| Administration expenses | (3,952) | (2,893) | (3,253) | (3,372) |
| <i>As a % of sales</i> | <i>56.8%</i> | <i>50.7%</i> | <i>37.8%</i> | <i>28.1%</i> |
| Underlying EBITDA | (492) | (917) | (618) | 322 |
| <i>margin</i> | <i>-7.1%</i> | <i>-16.1%</i> | <i>-7.2%</i> | <i>2.7%</i> |
| Depreciation | (75) | (98) | (50) | (96) |
| Amortisation | (317) | (320) | (300) | (240) |
| Underlying Operating profit/(loss) | (884) | (1,335) | (968) | (14) |
| <i>margin</i> | <i>-12.7%</i> | <i>-23.4%</i> | <i>-11.3%</i> | <i>-0.1%</i> |
| Investment revenue | 6 | 2 | - | - |
| FX | - | (88) | - | - |
| Finance charges | (9) | (38) | - | (38) |
| Underlying Profit/(loss) before tax | (887) | (1,459) | (968) | (52) |
| Tax | 146 | 155 | 100 | 100 |
| Underlying Profit/(loss) after tax | (741) | (1,304) | (868) | 48 |
| STATUTORY | | | | |
| Underlying Operating profit/(loss) | (884) | (1,335) | (968) | (14) |
| Share based charges | (136) | (240) | (100) | (125) |
| Statutory Operating profit/(loss) | (1,020) | (1,575) | (1,068) | (139) |
| Investment revenue | 6 | 2 | - | - |
| Finance charges | (9) | (88) | - | - |
| FX gains/(loss) | - | (38) | - | - |
| Statutory Profit/(loss) before tax | (1,023) | (1,699) | (1,068) | (139) |
| Tax | 146 | 155 | 100 | 100 |
| Statutory Profit/(loss) after tax | (877) | (1,544) | (968) | (39) |
| WAS (m) | 2.472 | 2.799 | 3.715 | 3.715 |
| WAS FD (m) | 2.472 | 3.137 | 3.715 | 3.715 |
| Year-end shares (m) | 2.799 | 2.799 | 3.715 | 3.715 |
| Basic EPS (p) | (35.5) | (55.2) | (26.1) | (1.0) |
| Basic EPS Diluted (p) | (35.5) | (49.2) | (26.1) | (1.0) |
| Underlying Basic EPS (p) | (30.0) | (46.6) | (23.4) | 1.3 |
| Underlying EPS Diluted (p) | (30.0) | (41.6) | (23.4) | 1.3 |

Source: Biome Technologies; Allenby Capital

Balance sheet and forecasts

EXHIBIT 5: BALANCE SHEET AND FORECASTS

| Y/E December | £000 FY 2019A | £000 FY 2020A | £000 FY 2021E | £000 FY 2022E |
|---|------------------|------------------|------------------|------------------|
| Assets: | | | | |
| Non-current assets | | | | |
| Other intangibles | 883 | 821 | 783 | 663 |
| PP&E | 653 | 574 | 603 | 532 |
| Total non-current assets | 1,536 | 1,395 | 1,386 | 1,195 |
| Current assets | | | | |
| Inventories | 555 | 746 | 555 | 725 |
| Trade and other receivables | 1,885 | 1,594 | 2,050 | 1,651 |
| Cash and Cash equivalents | 2,126 | 1,678 | 600 | 787 |
| Total current assets | 4,566 | 4,018 | 3,205 | 3,163 |
| Total Assets | 6,102 | 5,413 | 4,591 | 4,358 |
| Liabilities: | | | | |
| Current liabilities | | | | |
| Trade and other payables | (1,381) | (1,076) | (1,181) | (1,503) |
| Lease liabilities | (76) | (38) | - | - |
| Total current liabilities | (1,457) | (1,114) | (1,181) | (1,503) |
| Non-current liabilities | | | | |
| Lease liabilities | (438) | (400) | (400) | (362) |
| Total non-current liabilities | (438) | (400) | (400) | (362) |
| Total liabilities | (1,895) | (1,514) | (1,581) | (1,865) |
| Net current assets | 3,109 | 2,904 | 2,024 | 1,660 |
| Net Assets | 4,207 | 3,899 | 3,010 | 2,493 |
| Total equity & liabilities | 6,102 | 5,413 | 4,591 | 4,358 |
| BALANCE SHEET RATIOS | | | | |
| Y/E December | £000 FY 2019A | £000 FY 2020A | £000 FY 2021E | £000 FY 2022E |
| Long-term financial debts | - | - | - | - |
| Short term financial debts | - | - | - | - |
| Gross (debt) | - | - | - | - |
| Cash and cash equivalents | 2,126 | 1,678 | 600 | 787 |
| Net (debt) / cash | 2,126 | 1,678 | 600 | 787 |
| Acid test (Current Assets less inventory / Current Liabilities) | 2.75 | 2.94 | 2.24 | 1.62 |
| Equity | 4,207 | 3,899 | 3,010 | 2,493 |
| Gearing (Net Debt / Equity) | 0.0% | 0.0% | 0.0% | 0.0% |
| Net debt / EBITDA (x) | - | - | - | - |
| EBITDA / net interest expense (incl. lease expense) (x) | - | - | - | - |

Source: Biome Technologies; Allenby Capital

Cash flow and forecasts

EXHIBIT 6: CASH FLOW AND FORECASTS

| Y/E December | £000 FY 2019A | £000 FY 2020A | £000 FY 2021E | £000 FY 2022E |
|--|------------------|------------------|------------------|------------------|
| Operating cash flow: | | | | |
| Operating profit/(loss) | (1,020) | (1,575) | (1,068) | (139) |
| Depreciation | 77 | 98 | 50 | 96 |
| Amortisation | 317 | 320 | 300 | 240 |
| Share-based payment | 136 | 240 | 100 | 125 |
| FX | 9 | - | - | - |
| Operating cash flow pre changes in working cap & provisions | (481) | (917) | (618) | 322 |
| <i>Decrease/(increase) in inventories</i> | <i>400</i> | <i>(191)</i> | <i>(135)</i> | <i>(170)</i> |
| <i>Decrease/(increase) in trade receivables</i> | <i>(1,087)</i> | <i>293</i> | <i>(400)</i> | <i>(166)</i> |
| <i>Increase (decrease) in trade and other payables</i> | <i>(405)</i> | <i>(240)</i> | <i>200</i> | <i>322</i> |
| Net movement in working capital | (1,092) | (138) | (335) | (14) |
| Corporation tax | 205 | - | 150 | 100 |
| Interest paid | (2) | (38) | - | (38) |
| Net cash inflow/(outflow) from operating activities | (1,370) | (1,093) | (803) | 370 |
| Investing Activities: | | | | |
| Interest received | 6 | 2 | - | - |
| Investment in intangible assets | (282) | (258) | (250) | (120) |
| Purchase of PP&E | (27) | (19) | (25) | (25) |
| Net cash inflow/(outflow) from investing activities | (303) | (275) | (275) | (145) |
| Financing Activities: | | | | |
| Proceeds from issue of shares (net) | 1,196 | 996 | - | - |
| Proceeds from leasing activities | - | - | - | - |
| Repayment of obligations under leasing activities | (11) | (76) | - | (38) |
| Net cash inflow/(outflow) from financing activities | 1,185 | 920 | - | (38) |
| Total net increase/(decrease) in cash and cash equivalents | (488) | (448) | (1,078) | 187 |
| Cash and cash equivalents at start of period | 2,614 | 2,126 | 1,678 | 600 |
| Cash and cash equivalents at end of period | 2,126 | 1,678 | 600 | 787 |

Source: Biome Technologies; Allenby Capital

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