3rd December, 2015

Byotrol plc

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Byotrol plc ('Byotrol', the 'Group' or the 'Company'), the leading AIM listed anti-microbial hygiene company, is pleased to present its unaudited Interim results for the six months ended 30 September 2015.

Highlights

- Steady growth in core business, with gross profit increasing by 6% to £532k versus £502k in H1 2014
- Good progress in three strategic initiatives, with all three expected to move forwards or conclude in the next six months:
    - US Environmental Protection Agency ("EPA") registered consumer products – formal testing underway and progressing well;
    - joint marketing programme with Solvay SA ("Solvay"); and
    - testing of surface care products in UK healthcare.
- Further new regulatory costs absorbed in our food manufacturing supply business and new products readied for launch in early 2016
- Board expects EBITDA break-even for H2 this financial year
- Solid balance sheet following £1.3m (net of expenses) equity fund raising completed in September 2015

Commenting on the results, David Traynor, Chief Executive of Byotrol, said:

"Since our restructuring in late 2013, the Board has been trying to stabilise the core business, absorb the new significant regulatory costs and invest in the areas that we believe will secure long-term growth and profitability. We believe we are now on the cusp of completing that programme. The second half of this financial year should be a pivotal period for the Company."

Enquiries:

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Notes to Editors:

Byotrol plc (BYOT.L), quoted on AIM, is a leading anti-microbial technology company, operating globally in the Food, Industrial, Healthcare and Consumer sectors, providing low toxicity products with a broad-based and long-lasting efficacy across all microbial classes; bacteria, viruses, fungi, moulds, mycobacteria and algae.

Powerful, long-lasting and gentle, Byotrol's products can be used stand alone or as ingredients within existing products, where Byotrol can significantly improve their performance in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Founded in 2005, the Company develops technologies that create easier, safer and cleaner lives for everyone.

For more information, please go to www.byotrol.co.uk

Chief Executive's Report

We continue to make steady progress in reshaping the Company and remain confident that the financial results for the full year will be significantly better than the previous year.

These interim numbers contain most of this year's costs of that reshaping, with many of the benefits already locked-in for the second half of the year (but not visible in our numbers until the year end). The Board is certainly very pleased with the profile of our business compared to that we inherited two years ago.

All of our divisions are performing broadly as expected, although food manufacturing has been held back by new legislation on the use of biocides and pesticides in the food manufacturing industry (additional to the EU's Biocidal Products Regulation "BPR"). Petcare sales have been reduced by one key customer de-stocking.

We have been pushing ahead with three strategic 'big' bets each of which we believe are capable of transforming the business. The good news is that they have all progressed substantially, with each initiative now expected to come to a head in the next six months:

1. After several years of development work and dry-run testing, we are now in the middle of formally testing our household cleaning sprays with the US EPA. The results at the time of writing are very encouraging, with a series of formal test passes that we believe will give us unique claims for the US domestic household market. We are halfway through the toughest part of the process now and with further success this year, we will be sitting on a very valuable asset.
2. Our product development and marketing partnership with Solvay is well underway and is taking us into client discussions we would never have managed in our own right. As part of our agreement, Solvay has been injecting a significant sum into the business to support historic R&D spend; this income will be largely recognised in our financial statements in H2.
3. In the healthcare division we are finalising, together with our partners ISS, what we hope is the last trial of our surface care cleaning products in UK hospitals. Assuming positive results compared with current cleaning practice, we will then market our products, jointly with ISS, into UK healthcare. This project has moved from a pure floor-cleaning activity to broader surface cleaning, including patient contact surfaces, where the opportunity is substantially larger.

Of course any of these initiatives may not come to fruition or may be delayed, but the Board is pleased with recent progress and believes that they each present a very attractive potential reward relative to the risks and the investment spend. For that reason we increased spend in project management, supply chain and regulatory support in the last 6 months by £95,000 versus the comparable period.

We are still juggling the need to show improved financial performance (towards breakeven) with continuing investment in efficacious, regulatory-acceptable technology and the skilled people to exploit it. This is not an easy balance, particularly with a six month reporting schedule, but we are again pleased with progress in financial solidity, especially in the following areas:

- Further consolidation of products offered and customers served;
- Continued emphasis on margins rather than revenue;
- Gross margin in the period has increased from 32% to 38%, benefitting from further concentration of product range, formulations and distributors;
- Focus on controlling central costs, but aligning employee rewards with shareholders as far as we can.

Results by segment

Professional

Gross margin for Professional was flat compared with H1 2014 at £243k.

Food service continues to grow, although progress is being hampered by our relatively narrow product range compared with our competitors. This is a simple problem of scale, including adequate staffing to then support clients – we are looking at ways to broaden the product range, including in alliance with other food service companies interested in marketing our superior products.

Food manufacturing has been steady, but real progress has been delayed, as it has been for our competitors, by new EU rules aimed at reducing biocide and pesticide build-ups in the food manufacturing industry. These rules are additional to the Biocidal Product Regulation ("BPR") and product relabelling rules as detailed in previous reporting. We have now developed high quality new products to fit within the new legislation and will be relaunching in January 2016, subject to final trials in December/January. We believe we will have a successful offering, and the prize is certainly substantial for the products that show superiority in this new environment.

Sales in healthcare and industrial all remain small at present. We remain proactive in healthcare with the NHS trials alongside ISS continuing to be our main focus for early 2016.

Petcare

Gross margin fell in the period under review from £126k to £92k, as a result of one of our key customers going through a programme of de-stocking. It is not clear when/whether sales will return to previous levels with this particular customer.

However Petcare remains an important part of our business and we are confident of returning to growth shortly, with new customers and channels. Discussions are advanced with several parties and we hope to provide further clarity on this shortly.

Consumer

Gross margin in our Consumer division increased in the period under review from £132k to £197k, boosted by early instalments of development payments from Solvay.

Having completed the reformulation of our consumer products to fit with the BPR we are now in sales and marketing mode, with our partners Solvay, across the EU and Asia. Alongside Solvay, we are now dealing with senior professionals within some of the world's biggest FMCG companies. Such discussions are proving demanding and time-consuming, but we are confident in our products and believe firmly that the investment will generate substantial returns in time.

Separately, we are expecting final results on the formal EPA laboratory testing of our US formulations by January 2016. If successful, there will then follow further safety tests and a 12–18 month Federal and State listing process. We are confident of bringing financial and sales partners on board during that process.

Elsewhere, we have seen an uptick in sales of our Tesco trigger spray disinfectants (via our partnership with Robert McBride plc), boosted by Tesco's refocus on its private label range. Boots hand sanitisers, powered by Byotrol, are also still selling well. Our licence with PZ Cussons in floor cleaners in Nigeria has now reached an end point and is not being renewed. Market conditions in Nigeria are not strong.

Financing

We completed a £1.3m (net of expenses) equity financing in September to solidify our balance sheet and enable continued investment in our three big strategic initiatives. We were very pleased to receive such excellent support from our shareholders and are putting those funds to good use, including some much-needed corporate house-keeping such as a new financing/operations system and paying down an expensive invoice discounting facility.

Outlook

We have had to spend a little more on technical support and development than originally budgeted for in the period under review. However that spend (for this financial year at least) is now largely over and in H2 we expect to be reaping some benefits. This means that the Board is projecting EBITDA breakeven for H2 this year, which by definition will improve our financial results for the full year compared to last.

Byotrol remains a small business and there is still a lot to do. However in the last two years we have stabilised the core business in terms of our finances, product range, technology/IP and regulatory compliance. We have also now positioned the Company for three potential big wins, with those initiatives all now due to move forwards or to conclude. The Board is expecting H2 to be a pivotal period for the Company and is very much looking forward to reporting further progress.

David Traynor
Chief Executive

Byotrol plc
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 6 month period ended 30 September 2015

	6 mths ended 30 September 2015	6 mths ended 30 September 2014 £	Year ended 31 March 2015 £
REVENUE	1,408,640	1,554,866	3,251,512
Cost of sales	(876,939)	(1,052,611)	(2,103,783)
GROSS PROFIT	531,701	502,255	1,147,729
Administrative expenses excluding depreciation and amortisation	(848,513)	(728,706)	(1,565,254)
Share based compensation	(49,642)	(36,364)	(107,750)
LOSS BEFORE INTEREST, DEPRECIATION, AMORTISATION AND TAX	(366,454)	(262,815)	(525,725)
Amortisation	(31,928)	(29,479)	(66,787)
Depreciation	(31,029)	(40,252)	(73,357)
Finance income	-	-	966
Finance costs	(19,610)	(37,299)	(84,207)
LOSS BEFORE TAX	(449,021)	(369,845)	(748,660)
Taxation	-	-	-
LOSS FOR THE FINANCIAL YEAR	(449,021)	(369,845)	(748,660)
(Loss) / profit attributable to:			
Owners of Parent	(449,021)	(369,845)	(748,660)
	(449,021)	(369,845)	(748,660)
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation difference	-	-	(3,284)
Other comprehensive income/(expense)	(449,021)	(369,845)	(3,284)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(449,021)	(369,845)	(751,944)
Owners of the parent	(449,021)	(369,845)	(751,944)
Basic and fully diluted loss per share – pence	(0.19)	(0.19)	(0.35)

Byotrol plc
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2015

	As at 30 September 2015 £	As at 30 September 2014 £	As at 31 March 2015 £
ASSETS			
Non-current assets			
Property, plant and equipment	15,335	78,914	46,364
Intangible assets	517,457	496,839	510,641
	532,792	575,753	557,005
Current assets			
Inventories	137,215	286,342	230,022
Trade and other receivables	715,242	771,051	926,890
Cash and cash equivalents	1,278,736	578,796	286,731
	2,131,193	1,636,189	1,443,643
	2,663,985	2,211,942	2,000,648
LIABILITIES			
Current liabilities			
Trade and other payables	597,643	768,666	850,159
	597,643	768,666	850,159
Long term liabilities			
Convertible loan notes	328,625	324,757	328,625
	328,625	324,757	328,625
Equity			
Share capital	670,130	562,587	562,587
Share premium account	22,847,284	21,639,595	21,639,595
Merger reserve	1,064,712	1,064,712	1,064,712
Cumulative translation reserve	23,595	12,821	23,595
Retained deficit	(22,868,004)	(22,161,196)	(22,468,625)
Equity attributable to owners of the Parent	1,737,717	1,118,519	821,864
Non-controlling interests	-	-	-
TOTAL EQUITY	1,737,717	1,118,519	821,864
TOTAL EQUITY AND LIABILITIES	2,663,985	2,211,942	2,000,648

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
At 1 April 2014	458,420	20,586,758	1,064,712	26,879	(21,827,715)	309,054
Loss for the period	-	-	-	-	(369,845)	(369,845)
Currency translation difference	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(369,845)	(369,845)
Placing of shares	104,167	1,145,833	-	-	-	1,250,000
Placing costs	-	(92,996)	-	-	-	(92,996)
Convertible loan notes	-	-	-	(14,058)	-	(14,058)
Share based payments	-	-	-	-	36,364	36,364
Balance as at 30 September 2014	562,587	21,639,595	1,064,712	12,821	(22,161,196)	1,118,519
Loss for the period	-	-	-	-	(378,815)	(378,815)
Currency translation difference	-	-	-	(3,284)	-	(3,284)
Total comprehensive loss for the period	-	-	-	(3,284)	(378,815)	(382,099)
Convertible loan notes	-	-	-	14,058	-	14,058
Share based payments	-	-	-	-	71,386	71,386
Balance as at 31 March 2015	562,587	21,739,595	1,064,712	23,595	(22,468,625)	821,864

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
Loss for the period	-	-	-	-	(449,021)	(449,021)
Currency translation difference	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(449,021)	(449,021)
Placing of shares	107,543	1,290,504	-	-	-	1,398,047
Placing costs	-	(82,815)	-	-	-	(82,815)
Convertible loan notes	-	-	-	-	-	-
Share based payments	-	-	-	-	49,642	49,642
Balance as at 30 September 2015	670,130	22,847,284	1,064,712	23,595	(22,868,004)	1,737,717

Byotrol plc
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the 6 month period ended 30 September 2015

	6 mths ended 30 September 2015 £	6 mths ended 30 September 2014 £	Year ended 31 March 2015 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period before tax	(449,021)	(369,845)	(748,660)
Adjustments for:			
Share based payments	49,642	36,364	107,750
Depreciation	31,029	40,252	73,357
Amortisation	31,928	29,479	66,787
Loss on disposal of property, plant and equipment	-	-	-
Impairment of intangible assets	-	-	-
Finance income	-	-	(966)
Finance costs	19,610	37,299	84,207
Changes in working capital			
(Increase)/decrease in inventories	92,807	(7,991)	48,329
(Increase)/decrease in trade and other receivables	211,648	(8,938)	(164,777)
(Decrease) / increase in trade and other payables	(252,516)	(333,093)	(256,013)
CASH USED IN OPERATING ACTIVITIES	(264,873)	(576,473)	(789,989)
Income taxes credit received	-	-	-
NET CASH USED IN OPERATING ACTIVITIES	(264,873)	(576,473)	(789,989)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	-	(486)	(1,041)
Payments to acquire intangible assets	(38,744)	(62,471)	(113,581)
Finance income	-	-	966
NET CASH USED IN INVESTING ACTIVITIES	(38,744)	(62,957)	(113,656)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of ordinary shares	1,398,047	1,250,000	1,250,000
Share issue costs	(82,815)	(92,996)	(92,996)
Interest paid	(19,610)	(37,299)	(65,152)
NET CASH INFLOW /(OUTFLOW) FROM FINANCING	1,295,622	1,119,705	1,091,852
Net increase/(decrease) in cash and cash equivalents	992,005	480,275	188,210
Cash and cash equivalents at the beginning of the financial year	286,731	98,521	98,521
Effect of foreign exchange rate changes	-	-	-
Cash and cash equivalents at the end of the financial year	1,278,736	578,796	286,731

1. Basis of preparation

The financial statements have been prepared in accordance with the AIM rules, international financial reporting standards ("IFRS") as adopted by the European Union that are applicable to the Group's statutory accounts for the year ended 31st March 2014 and the applicable provisions of the Companies Act 2006. The interim financial statements are unaudited and were approved by the Directors on 2 December 2015. The information set out herein is abbreviated and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The results for the year ended 31 March 2015 are in abbreviated form and have been extracted from the published financial statements. These were audited and reported upon without qualification by Mazars LLP and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. Statutory accounts for the financial year ended 31 March 2015 have been filed with the Registrar of Companies.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK Groups, in the preparation of these interim financial statements.

The Company is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The consolidated financial information of Byotrol plc is presented in Pounds Sterling (£), which is also the functional currency of the parent.

2. Going concern

The Group has continued to incur losses in the period to 30 September 2015, but had, at the period end, cash reserves and net assets of £1,278,736 and £1,737,717. Byotrol plc has prepared interim financial statements on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The Group's ability to meet its future funding and working capital requirements, and therefore continue as a going concern, is dependent upon the Group being able to generate recurring and sustainable revenues and free cash flow. The Directors have prepared projected cash flow information for the period ending 12 months from the date of approval of these interim financial statements. The projections take into account the new business opportunities highlighted in the Chief Executive's Report, the timing and quantum of which will affect the Group's cash requirements, which are continually monitored by the Board.

On the basis of these projections and having undertaken sensitivity analysis in respect of future sales growth, the Directors are satisfied that the Group can meet its operational requirements and discharge its liabilities as and when they fall due. Accordingly they continue to adopt the going concern basis in preparing the interim report and accounts.

In the event that the Group is unable to achieve its forecast cash inflows, the Directors have opportunities available to them which will enable them to reduce costs so that the business can continue to exist within its current funding arrangements. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting.

3. Segmental information

The Group has three reportable segments; being Professional (including food service, food manufacturing, industrial and health), Consumer and Pet. This disclosure correlates with the information which is presented to the Group's Chief Decision Maker, the Board. The Group's revenue, result before taxation and net assets were all derived from its principal activities.

The first segment concerns the professional sector incorporating business to business sales into food and beverage, healthcare and facilities management. The second segment concerns the consumer sector and primarily revenue generated from licence agreements with third parties for the manufacture and sale of products incorporating Byotrol technology. The third sector is Petcare, where finished goods are manufactured and sold into the companion animal sector.

The Group operates in different geographic locations. The revenue generated from the different geographic locations is analysed separately into the information below.

The Group's centrally incurred administrative expenses, incorporating the ongoing research and development work, operating income and assets and liabilities cannot be allocated to individual segments.

	Continuing operations			
6 months ended 30 September 2015	Professional £	Consumer £	Pet £	Total £
REVENUE				
United Kingdom	839,544	150,573	232,436	1,222,553
North America	13,041	-	-	13,041
Rest of World	5,158	46,169	121,719	173,046
Total revenue	857,743	196,742	354,155	1,408,640
Cost of sales	(614,864)	-	(262,075)	(876,939)
Gross profit	242,879	196,742	92,080	531,701
Centrally incurred income and expenditure not attributable to individual segments:				
Administrative costs				(848,513)
Depreciation and amortisation				(62,957)
Share based payments				(49,642)
Finance income				-
Finance costs				(19,610)
Loss before tax				(449,021)

3. Segmental information (continued)

	Continuing operations			
	Professional	Consumer	Pet	Total
6 months ended 30 September 2014	£	£	£	£
REVENUE				
United Kingdom	861,354	73,373	388,320	1,323,047
North America	3,003	23,881	-	26,884
Rest of World	74,930	34,996	95,009	204,935
Total revenue	939,287	132,250	483,329	1,554,866
Cost of sales	(694,990)	-	(357,621)	(1,052,611)
Gross Profit	244,297	132,250	125,708	502,255

Central income and expenditure not attributable to individual segments:	
Administration costs	(728,705)
Depreciation and amortisation	(69,731)
Share based payments	(36,364)
Finance income	-
Finance Costs	(37,300)
	(369,845)

	Continuing operations			
	Professional	Consumer	Pet	Total
Year ended 31 March 2015	£	£	£	£
REVENUE				
United Kingdom	1,811,812	226,009	716,194	2,754,015
North America	50,550	-	-	50,550
Rest of World	159,033	65,756	222,158	446,947
Total revenue	2,021,395	291,765	938,352	3,251,512
Cost of sales	(1,458,870)	-	(644,913)	(2,103,783)
Gross Profit	562,525	291,765	293,439	1,147,729

Central income and expenditure not attributable to individual segments:	
Administration costs	(1,565,254)
Depreciation and amortisation	(140,144)
Share based payments	(107,750)
Finance income	966
Finance Costs	(84,207)
	(748,660)

4. Loss per share

The loss per ordinary share is based on the losses for the period of £449,179 (six months ended 30 September 2014: £369,845; twelve months ended 31 March 2015: £748,660) and the weighted average number of ordinary shares in issue during the period of 232,604,098 (six months ended 30 September 2014; 197,940,050, twelve months ended 31 March 2015: 211,450,294).

The loss for the period and the weighted average number of ordinary shares for calculating the diluted earnings per share for the six months ended 30 September 2015 and for the comparative periods are identical to those used for the basic earnings per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive.

5. Taxation

No liability to UK corporation or overseas income taxes arises for the period due to losses incurred. The Directors have assessed the position in relation to deferred tax and concluded that no provision or asset should be created at this stage in respect of deferred tax in view of the timescale and uncertainty of the recovery of tax losses. This position will be reviewed again at 31 March 2016.

6. Interim announcement

The interim report was released on 3 December 2015. It is also available on the Company's website, www.byotrol.co.uk