



8 July 2016

Byotrol plc

(“Byotrol” or the “Company”)

**EXTENDED AGREEMENT WITH SOLVAY SA
TRADING UPDATE
NOTICE OF PRELIMINARY RESULTS**

Extension of Agreement with Solvay

Byotrol plc, the specialist anti-microbial technology company, is pleased to announce a further and expanded agreement (the "Agreement") to develop and commercialise long-lasting biocidal products for hard surfaces with the international chemical group Solvay SA ("Solvay").

The Agreement extends the commercial and technical relationship between the Company and Solvay's Novicare global business unit, a world leader in specialty polymers and surfactants with an annual turnover in excess of €2.0 billion. Whereas the initial agreement, announced in June 2015, was primarily targeted at the EU consumer market, this Agreement anticipates an expanded list of countries and markets. Under the terms of the Agreement, Novicare will make a substantial cash payment to the Company in the current financial year.

Further commercial deals and results of testing

We updated the market in February on the progress of several new deals and are now pleased to report further commercial progress on almost all fronts, including:

- A 5-year exclusive license on hand sanitising products with the Japanese pharmaceutical company KYORIN Pharmaceutical Co., Ltd, the core subsidiary of the Japanese healthcare group KYORIN, which reports annual sales in excess of Yen100bn. This agreement is aimed at product launches in the Japanese professional medical care market in late 2016 with the consumer market to follow thereafter.
- A 5-year license over Byotrol's new surface care formulations with the European pet care company Beaphar, with products planned for imminent launch in continental Europe (as national product registrations are received).
- A short development contract in long-lasting hand sanitisers with Rentokil Initial plc to support their Ultraprotect range of products in (mostly) European countries, which, assuming successful test results, will then become a 3-year license agreement. This is a newly-developed formulation that, unlike first-generation Byotrol hand products, will meet the new and stringent standards of the European Biocides Regulations.
- Our surface care formulations in the US continue to make excellent progress in the technical tests required for formal EPA approval. We now expect to file the completed regulatory technical dossier in October this year. This formulation sits outside our agreement with Solvay and is already generating considerable commercial interest in the US.

In addition:

- Joint testing of our surface care formulations in the NHS has been completed. Results are positive but the Board believes there is still insufficient depth of data to secure sizeable contracts. The Board is now considering how best to proceed.
- In June 2015 the Company secured a £100k grant to investigate the biocidal properties of seaweed. Testing continues and whilst it is early in the process, initial data is encouraging

Trading Update

Results for the year to 31 March 2016 are expected to be released in late August. The Board is still expecting to report results in line with the Trading Update released on 25 February, 2016. On an unaudited basis we are expecting to report:

- EBITDA loss before exceptionals of £449k versus £526k the previous year
- Sharply narrowed loss after tax of £532k (after all exceptionals and tax credits) versus a loss of £749k the previous year
- Cash and cash equivalents of over £1mn, compared to £287k in the prior year

The results will also show:

- The impact of moves to re-focus the business into higher margin markets, including by way of development agreements, alliances and licenses. As a result, turnover is expected to be approximately £2.65m versus £3.25m in the prior year, with gross margin increasing significantly to 44% versus 35% in the prior year.
- Continued good management of costs, with operating costs likely to be flat with the prior year at £1.6m
- Current year exceptional costs for a quality issue in the supply chain of our wipes business, which we currently estimate at less than £50k (net). The issue is now completely addressed without any impact on our long-term customer or supplier relationships.

With the various improvements in the business and the recent cash-generating contracts, the Directors believe that the Company has sufficient working capital to drive the business forward.

Notice of Results and AGM

We are now expecting to release our Preliminary Results in - or before - the week commencing Monday 22 August. Our AGM will be held in London on 22 September 2016.

Nicholas Martel, Chairman of Byotrol plc comments, *“It is less than a year since we signed our first agreement with Solvay. Our anticipation of the benefits has proved to be well founded and this has encouraged us to significantly extend the scope of the collaboration by signing this further agreement. Byotrol welcomes the extended reach to our target customers that comes with the alliance with Solvay. In turn, we are pleased to be able to offer our technology and expertise to Solvay to further their relationships with those clients.*

As our newer markets particularly in the Consumer sector unfold, we will be concentrating more of our resources on those markets that offer the most reward and our cash position gives us the flexibility to do just that. We look forward to updating the market in detail on our progress following our Results in late August.”

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Notes to Editors:

Byotrol plc (BYOT.L), quoted on AIM, is a specialist developer of residual antimicrobial technologies, identifying, developing, formulating and commercialising cutting-edge antimicrobial technologies.

Our patented suite of technologies deliver powerful broad-spectrum efficacy with residual performance optimised against commonly occurring and industry-specific pathogens

Founded in 2005, the Company has developed the technology that creates easier, safer and cleaner lives

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