



13th December, 2016

Byotrol plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

Byotrol plc ('Byotrol', the 'Group' or the 'Company') the AIM listed anti-microbial technology company, is pleased to present its unaudited interim results for the six months ended 30 September 2016.

Highlights

- On track to be EBITDA positive for the full year. Trading in line with previous guidance.
- Excellent progress in all three key strategic initiatives
 - All testing now completed for submission to US Environmental Protection Agency ("EPA") for approval of our long-lasting surface care product. Formal dossier to be filed pre-Christmas.
 - In our joint marketing partnership with Solvay SA ("Solvay"), commercial and technical discussions are underway with customers.
 - Our non-alcohol based hand sanitising formulations are making good progress in UK (including in the NHS), in Japan and in the US.
- Financial results for the year are heavily skewed in favour of H2, due to the timing of (previously announced and contracted) milestone and partnership payments, which, together with R&D tax credits, are expected to add in excess of £1.1m to revenues and gross margin in H2.
- Headline numbers for the six months to 30 September 2016: turnover of £909k (versus £1,409 in comparable period FYE 2016) and loss before tax of £576k versus £449k in the comparable period.

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

"The Company is now on the way to become the high-quality technology business we have been aiming for. Development deals are providing strong cash inflows and results for the full year are expected to show substantial progress."

Enquiries:

Byotrol plc

David Traynor – Chief Executive

01925 742 000

finnCap

Geoff Nash/Carl Holmes - Corporate Finance

020 7220 0500

Mia Gardner - Corporate Broking

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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, especially 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 are pleased to report that the business remains on track to be EBITDA positive for the full year.

In the first half of this financial year we have continued with the balancing act of (1) increasing efficiency in the Professional businesses against a backdrop of a challenging regulatory environment and strong competition (2) investing in our new technologies, including the US EPA and (3) controlling costs to underpin financial progress.

All three key strategic initiatives remain on plan:

- After 5 years of development work, we will shortly be filing a completed dossier to the US EPA for approval of a long-lasting anti-bacterial spray for consumer markets. All testing (efficacy, toxicology and safety) has now been completed satisfactorily.
- The joint sales initiative with Solvay of our Actizone technology is progressing rapidly with a number of global and regional FMCGs engaged and reviewing the technology.
- In hand hygiene, our existing and new formulations are all gaining market traction on the back of increasing preference over alcohol based products.

Our numbers for H1 do not show any income from (1) previously announced deals with Solvay, Rentokil and others and (2) expected receipts from R&D tax credits. These items are expected to add over £1.1m to revenues and gross margin in H2.

We recognise that we are now generating substantial sums from one-off contracts and development deals. As a technology-oriented company we will carry on doing so in the future – there is a definite market need for our solutions and the margins are very healthy. In the medium term, as we grow, we will also build the solidity and scale that some product manufacture (finished goods and/or ingredients) will bring.

We are also pleased to report much-needed upgrades to our systems and processes, with new investments in IT, servers and, crucially, state of the art CRM and accounting systems. The latter in particular is leading to substantial margin improvements, which will start feeding through into our financial results in calendar 2017.

Results by segment

Professional care

H1 revenues fell to £580k from £857k in H1 2015 and gross profit to £161k from £244k. Performance in H1 this year was very similar to the performance in H2 FYE March 2016, still showing the previously reported impacts of new regulations controlling chemical use in food manufacturing environments, with bulk liquid sales a particular problem area. However, the prognosis has improved considerably over this period with:

- Lower cost base to achieve the same results as H2 the previous year
- Changes to supply chain to improve gross margin going forward
- Some evidence that customers are transitioning across to new quat-free formulations, despite the higher pricing

We continue to seek commercial opportunities across the different channels, but we are realistic that we are too small a player in the food manufacturing market to compete with the total sales packages of our competitors.

Our food service and jansan (janitorial and sanitation supply) customer relationships remain strong, particularly in surface care wipes.

In hand hygiene, we are making excellent progress with our new, non-alcohol formulations. Development work with Rentokil for its Ultraprotect range is on track, Kyorin has now launched hand sanitisers into Japanese hospitals and sales into the NHS via our agent Winch Pharma are increasing steadily.

We have also established that our EPA surface cleaning product has excellent potential in professional cleaning environments outside healthcare and food preparation environments. This is a pleasing discovery considering that our formulations were developed primarily for consumer markets.

Petcare

H1 revenues fell to £295k from £354k in H1 2015, gross profit was broadly flat at £89k from £92k.

Petcare is performing fully to expectations, with extra emphasis on efficiency and margins, sometimes at the expense of turnover.

Export markets are particularly strong for petcare at the moment and have further strengthened with UK currency depreciation. Our team is readying several new product launches (based on technologies developed for the consumer market) to take further advantage

Our new licensee, Beaphar NA, headquartered in Holland and one of Europe's premier petcare brands, has recently launched co-branded surface care products into Germany to an excellent reception, with other EU countries to follow once the various national regulatory approvals have been received. We see substantial upside in this new relationship.

Sales in the UK into our key retail customer Pets@Home remain steady, similarly so with distributor Petface, especially onto supermarket shelves.

Consumer

Consumer numbers are heavily skewed by the timing of payments from Solvay, which are all due in H2 this year. Year end numbers will be significantly better than the prior year of £528k turnover and gross profit.

The consumer segment remains an area of great focus for the Company. We are pleased to report excellent progress on all fronts, including:

- We are marketing our new formulation Actizone jointly with our partner Solvay. Our products are now in test with some of the biggest FMCGs in the world and we are expecting to show good financial progress in the next financial year.
- The formulation for our US-targeted household disinfecting/cleaning spray will be formally lodged with the EPA before Christmas this year. All efficacy, safety and toxicological tests have been passed. Once EPA submission is made, the EPA review time is: 21 day upfront screen with 5 months technical review and 1 month label discussion period. Total timing range for EPA (federal) approval is approximately 6 months.
- Sales of Tesco surface sprays (via our strong relationship with Robert McBride plc) are increasing nicely as Tesco continues to refocus more effort on own-brand products.

Outlook

Our objective this financial year is to solidify the finances of the Company and to be EBITDA positive. We remain on track to deliver those objectives.

We will carry on growing the business on the back of innovative technologies and stronger finances. Our next target is to deliver sustainable profitability, with less reliance on large one-off sums. We are seeing encouraging signs that this will be achieved and remain optimistic about our future.

David Traynor
Chief Executive

Byotrol plc
 UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 for the 6 month period ended 30 September 2016

	6 mths ended 30 September 2016	6 mths ended 30 September 2015 £	Year ended 31 March 2016 £
REVENUE	909,073	1,408,640	2,647,923
Cost of sales	(625,601)	(876,939)	(1,494,198)
GROSS PROFIT	283,472	531,701	1,153,725
Administrative expenses excluding depreciation and amortisation	(797,084)	(848,513)	(1,570,614)
Share based compensation	(15,453)	(49,642)	(52,604)
LOSS BEFORE INTEREST, DEPRECIATION, AMORTISATION AND TAX	(529,066)	(366,454)	(469,493)
Amortisation	(33,936)	(31,928)	(77,797)
Depreciation	(5,102)	(31,029)	(39,220)
Finance income	83	-	1,403
Finance costs	(8,270)	(19,610)	(84,378)
Research and development (R&D) tax credits	-	-	136,516
LOSS BEFORE TAX	(576,290)	(449,021)	(532,969)
Taxation	-	-	-
LOSS FOR THE FINANCIAL YEAR	(576,290)	(449,021)	(532,969)
OTHER COMPREHENSIVE INCOME, NET OF TAX			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Currency translation difference	-	-	(542)
Other comprehensive income/(expense)	-	-	(542)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(576,290)	(449,021)	(533,511)
Basic and fully diluted loss per share – pence	(0.21)	(0.19)	(0.21)

Byotrol plc
 UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 30 September 2016

	As at 30 September 2016 £	As at 30 September 2015 £	As at 31 March 2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	18,926	15,335	22,422
Intangible assets	579,321	517,457	565,078
	<u>598,247</u>	<u>532,792</u>	<u>587,500</u>
Current assets			
Inventories	154,670	137,215	220,318
Trade and other receivables	583,618	715,242	783,881
Cash and cash equivalents	525,752	1,278,736	1,017,188
	<u>1,264,040</u>	<u>2,131,193</u>	<u>2,021,387</u>
	<u>1,862,287</u>	<u>2,663,985</u>	<u>2,608,887</u>
LIABILITIES			
Current liabilities			
Trade and other payables	404,961	597,644	590,724
Convertible loan notes	359,975	-	359,975
	<u>764,936</u>	<u>597,644</u>	<u>950,699</u>
Long term liabilities			
Convertible loan notes	-	328,625	-
	<u>-</u>	<u>328,625</u>	<u>-</u>
Equity			
Share capital	670,129	670,129	670,129
Share premium account	22,849,284	22,847,284	22,849,284
Merger reserve	1,064,712	1,064,712	1,064,712
Other reserves	23,053	23,595	23,053
Retained deficit	(23,509,827)	(22,868,004)	(22,948,990)
	<u>1,097,351</u>	<u>1,737,717</u>	<u>1,658,188</u>
TOTAL EQUITY	<u>1,097,351</u>	<u>1,737,717</u>	<u>1,658,188</u>
TOTAL EQUITY AND LIABILITIES	<u>1,862,287</u>	<u>2,663,985</u>	<u>2,608,887</u>

Byotrol plc
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 for the 6 month period ending 30 September 2016

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
At 1 April 2015	562,587	21,639,595	1,064,712	23,595	(22,468,625)	821,864
Loss for the period	-	-	-	-	(449,021)	(449,021)
Currency translation difference	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(449,021)	(449,021)
Placing of shares	107,542	1,290,504	-	-	-	1,398,046
Placing costs	-	(80,815)	-	-	-	(80,815)
Share based payments	-	-	-	-	49,642	49,642
Balance as at 30 September 2015	<u>670,129</u>	<u>22,849,284</u>	<u>1,064,712</u>	<u>23,595</u>	<u>(22,868,004)</u>	<u>1,739,716</u>
Loss for the period	-	-	-	-	(83,948)	(83,948)
Currency translation difference	-	-	-	(542)	-	(542)
Total comprehensive loss for the period	-	-	-	(542)	(83,948)	(84,490)
Share based payments	-	-	-	-	2,962	2,962
Balance as at 31 March 2016	<u>670,129</u>	<u>22,849,284</u>	<u>1,064,712</u>	<u>23,053</u>	<u>(22,948,990)</u>	<u>1,658,188</u>

Byotrol plc
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 for the 6 month period ending 30 September 2016

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
Loss for the period	-	-	-	-	(576,290)	(576,290)
Currency translation difference	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	-	-	(576,290)	(576,290)
Share based payments	-	-	-	-	15,453	15,453
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 September 2016	<u>670,129</u>	<u>22,849,284</u>	<u>1,064,712</u>	<u>23,053</u>	<u>(23,509,827)</u>	<u>1,097,351</u>

Byotrol plc
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the 6 month period ended 30 September 2016

	6 mths ended 30 September 2016 £	6 mths ended 30 September 2015 £	Year ended 31 March 2016 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period before tax	(576,290)	(449,021)	(532,969)
Adjustments for:			
Share based payments	15,453	49,642	52,604
Depreciation	5,102	31,029	39,220
Amortisation	33,936	31,928	77,797
Loss on disposal of property, plant and equipment	-	-	-
Impairment of intangible assets	-	-	7,222
Finance income	(83)	-	(1,403)
Finance costs	8,270	19,610	84,378
Changes in working capital			
Decrease in inventories	65,648	92,807	9,704
Decrease in trade and other receivables	200,263	211,648	143,009
(Decrease) in trade and other payables	(185,763)	(252,516)	(259,435)
CASH USED IN OPERATING ACTIVITIES	(433,464)	(264,873)	(379,873)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	(1,606)	-	(15,278)
Payments to acquire intangible assets	(48,179)	(38,744)	(139,456)
Finance income	83	-	1,403
NET CASH USED IN INVESTING ACTIVITIES	(49,702)	(38,744)	(153,331)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of ordinary shares	-	1,398,047	1,398,046
Share issue costs	-	(82,815)	(80,815)
Interest paid	(8,270)	(19,610)	(53,028)
NET CASH INFLOW /(OUTFLOW) FROM FINANCING	(8,270)	1,295,622	1,264,203
Net increase/(decrease) in cash and cash equivalents	(491,436)	992,005	730,999
Cash and cash equivalents at the beginning of the financial year	1,017,188	286,731	286,731
Effect of foreign exchange rate changes	-	-	(542)
Cash and cash equivalents at the end of the financial year	525,752	1,278,736	1,017,188

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 2016 and the applicable provisions of the Companies Act 2006. The interim financial statements are unaudited and were approved by the Directors on 12th December 2016. 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 2016 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 2016 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 2016, but had, at the period end, cash reserves and net assets of £365,150 and £1,097,351. 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.

6 months ended 30 September 2016	Continuing operations			Total £
	Professional £	Consumer £	Pet £	
REVENUE				
United Kingdom	578,755	33,526	97,659	709,940
North America	1,659	-	-	1,659
Rest of World	-	-	197,474	197,474
Total revenue	580,414	33,526	295,133	909,073
Cost of sales	(419,008)	-	(206,593)	(625,601)
Gross profit	<u>161,406</u>	<u>33,526</u>	<u>88,540</u>	<u>283,472</u>
Centrally incurred income and expenditure not attributable to individual segments:				
Administrative costs				(797,085)
Depreciation and amortisation				(39,038)
Share based payments				(15,453)
Finance income				83
Finance costs				(8,270)
Loss before tax				<u>(576,290)</u>

3. Segmental information (continued)

6 months ended 30 September 2015	Continuing operations		Pet £	Total £
	Professional £	Consumer £		
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	244,879	196,742	92,080	531,701
Central income and expenditure not attributable to individual segments:				
Administration costs				(848,513)
Depreciation and amortisation				(62,957)
Share based payments				(49,642)
Finance income				-
Finance Costs				(19,610)
				<u>(449,021)</u>

Year ended 31 March 2016	Continuing operations		Pet £	Total £
	Professional £	Consumer £		
REVENUE				
United Kingdom	1,356,233	102,155	402,294	1,860,682
North America	16,241	375,000	-	391,241
Rest of World	58,096	50,366	287,538	396,000
Total revenue	1,430,570	527,521	689,832	2,647,923
Cost of sales	(1,011,313)	-	(482,885)	(1,494,198)
Gross Profit	419,257	527,521	206,947	1,153,725
Central income and expenditure not attributable to individual segments:				
Administration costs				(1,570,614)
Depreciation and amortisation				(117,017)
Share based payments				(52,604)
Finance income				1,403
Finance Costs				(84,378)
Research and development (R&D) tax credits				136,516
				<u>(532,969)</u>

4. Loss per share

The loss per ordinary share is based on the losses for the period of £576,290 (six months ended 30 September 2015: £449,179; twelve months ended 31 March 2016: £532,969) and the weighted average number of ordinary shares in issue during the period of 268,051,565 (six months ended 30 September 2015: 232,604,908, twelve months ended 31 March 2016: 250,699,942).

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 2016 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 13 December 2016. It is also available on the Company's website, www.byotrol.co.uk