14th December, 2017

Byotrol plc

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

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 2017.

Highlights

- Results in-line with previous guidance, namely improved sales and gross margin compared to H1 2016
    - Sales at £934k versus £909k in H1 2016; gross profit £343k versus £283k in H1 2016
    - Operating costs increased by 17%, largely reflecting a 62% increase in sales and marketing spend. Operating loss before share based payments therefore increased to £592k from £514k in H1 2016
- Continued progress in three key strategic initiatives, including:
    - US surface care – Federal approval complete, individual state approvals now very advanced, likely to complete February 2018. Board is confident in securing a US supermarket trial in mid 2018.
    - EU surface care – third-party FMCG testing continues; increased resource investment in the project by our commercialisation partner Solvay
    - Hand hygiene – now launched in NHS under new brand "Invirtu;" encouraging signs of sales progress
- Strong balance sheet. Successful fund raise completed August 2017, reinvigorated shareholder register with new institutional support. Cash reserves of £4.8m at period end.
- Funds being put to work on hiring sales and marketing professionals. New US leadership in place, with new VP Sales and Marketing hired, with excellent background in new product commercialisation, gained at Kimberly-Clark, Coca-Cola
- Confidence in outlook for full year, although dependent on closing alliances, partnerships and sales before year end.

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

Having spent the last three years redeveloping our technologies for the new regulatory regimes, we are now investing heavily in sales and marketing, including extensive redevelopment of product propositions. To that end we were very pleased that investors further supported our strategy with a £4.6m financing in the period; we believe that we now have the resources to fully execute our growth strategy.

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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 continue to make really good progress, re-positioning the Company into new markets with new, regulatory-approved technologies, new products and new propositions. In parallel with this, we continue to service the legacy businesses where the revenues clearly contribute to central costs.

All three strategic initiatives – US consumer surface care, EU surface care with Solvay and alcohol-free hand sanitisers - are progressing nicely, with further validation that our propositions meet customer needs at price points that generate good margin.

Our pet/animal and consumer business is already benefiting from the new technologies with good levels of interest being generated in surface care and hand hygiene, including one brand re-launch ("Byopet") into Asia, plus one new brand launch ("Invirtu") into the UK NHS and healthcare markets. Further detail is given in the segmental commentary below. We hope our next big launch will be into US consumer markets via mass-market retail.

Reported numbers for this period follow a similar profile to H1 2016, with a small increase in sales and gross profit compared to the previous year, reflecting continued improvements in efficiencies, but a larger operating loss in the period relative to the previous year as we increase spend on sales and marketing. The outlook for the full year will, as per last year, depend on us closing larger ticket deals in the second half of the year, something we remain optimistic about achieving.

Results by segment

Professional care

H1 revenues fell slightly to £546k from £580k in H1 2016 and gross profit fell to £129k from £161k.

We are now gradually transitioning our Professional product offer away from food markets and into health-oriented markets, where (1) our technologies are differentiated and (2) customers are more willing to pay higher prices for the long-lasting claims that our products can make. Food and jansan customers are still being serviced efficiently and proactively and new customers are being sought, but we are now expending less resource in this area than historically.

Central to the change programme underway in Professional is a formal process of market analysis and proposition development. We have completed one process already, leading to the relaunch of alcohol-free hand hygiene products under a new brand "Invirtu" into the UK NHS in September, directly and via third party agents. We have great hopes for the product as we believe it has few genuine competitors and we hope will be a strong bridgehead into healthcare and other markets where high performance hand-hygiene products are required. Total sales since launch have been a little behind plan as we get used to working with the NHS supply chain, but rate of sales are picking up rapidly now, with our hand sanitisers being used in over 80 UK hospitals, one (500 bed) total-trust conversion (from competitor's alcohol-based product), four partial trust conversions and six trials underway.

Based on our presence in the NHS we are also being asked to white label and co-brand the core formulations with large UK hygiene, healthcare and facilities management companies. Foremost among those is our relationship with Rentokil and its Ultraprotect brand, which continues to progress well.

Next step is to reposition our Professional surface care offer and we are mid-way through the required analytical process. Amongst other things we see many opportunities to leverage surface care products into Invirtu customers in the healthcare market.

Petcare

H1 revenues fell slightly to £278 k from £295k in H1 2016, but gross profit rose by 12% to £105k

This segment continues to perform solidly, with progress in gross margin and new customer acquisition, particularly overseas.

The new and improved 'Byopet' range (pet environment and pet grooming products) has now been launched to trade at the China International Pet Show (CIPS) in Shanghai, with updated branding and optimised product range. Production of the new range is on track and first orders should be despatched before end of Q4. A number of high quality leads were captured at CIPS from several new territories including China, Australia, UAE and India.

We have also made good progress in launching hand sanitisers into animal health markets, including a new agreement signed with Medimark Scientific Limited, a premier distributor of hygiene products into vetcare markets. Medimark launched the product under the Esense brand (with Byotrol as an ingredient brand), to the UK veterinary market in November at the London Vet Show.

Consumer

H1 revenues and gross profit increased to £110k from £34k in H1 2016.

In surface care in the UK, sales in Tesco (via our license with Robert Mcbride plc) of Byotrol ingredient-branded surface sprays continue to increase. We have a good relationship with Mcbrides and are looking to do more with them, particularly with our improved technology platforms.

In surface care in the US, we are making very rapid progress with the EPA registered long-lasting anti-microbial trigger spray for US domestic consumers. In particular, we have:

- received regulatory approval from over 20 individual US states and expect the remainder to be completed by February 2018. This is the second regulatory step to complete following the formal (federal) EPA approval completed in August this year
- secured a high-quality supply chain, with packaging agreed and main plant trials due in January 2018.
- generated in-principal approval from 2 leading US retail chains - including one mass-market retailer - for two-month trials in mid 2018. A successful trial should lead to national roll-out.
- began conversations with potential licensees/partners targeting business users of the product

In surface care in Europe, we continue to market the Actizone formulation to FMCGs with our partner Solvay. The Solvay team is generally now taking the commercial lead as they have more resources to service customer requirements and more senior relationships with those customers. Several discussions are ongoing, potential commercial wins are substantial and Solvay is committing more and more resources to the initiative, but the timing of revenue and product on shelf is uncertain.

In consumer-targeted hand hygiene,

- We are now starting to receive royalties in the US from our license with Advanced Hygienics LLC, which is manufacturing and distributing alcohol-free hand sanitisers under the American Red Cross brand, targeted to US consumers via retail. We are excited about the progress being made here.
- Boots has now transitioned across to the new formulation alcohol-free hand sanitiser and we are now back on shelf in most Boots stores in their own-brand healthcare section. We are now in discussions with other high street retailers to put our products in their stores under their or our brand.

Fundraising and Convertible Loan Note redemption

The Company was very pleased to complete a £4.6m (net of expenses) fundraising on 5 September 2017 from new and existing equity investors. The funds are being invested in sales and marketing, especially in the US, and will give us a stronger balance sheet to support commercial deal negotiation

In parallel with the refinancing and in response to many investors wishes, the Company has now redeemed its outstanding £380k Convertible Loan Notes. This exercise was completed in early September and resulted in 100% conversion of the notes by investors into Byotrol share capital.

Outlook

We recognise that we remain something of a jam-tomorrow stock, with financial progress still partially reliant on one-off technical development and exclusivity fees. However, those deals are serving us well – limiting cash burn, generating margin, financing technical development and supporting multiple levels of proposition redevelopment for the new regulatory-driven world we are operating in.

Having been focussed largely on technical development over the last few years we are now able to concentrate on sales and marketing and are making good progress in putting in place all the right things to deliver product sales and technology sales, including building a sales and marketing team to cover both domestic and export markets. We are obviously doing all we can to increase market presence, but we also need the increased sales to generate economies of scale and quality of supply chain – one of our historic challenges.

The recent fund raising of £4.6m, net of expenses, has given us the financial resources to grow and has secured some first-class new investors on our shareholder register. Our challenge now is to execute the commercial plan and deliver to the financial targets. The team is confident it will do so and looks forward to substantial progress in the second half of the financial year. We continue to look to our long-term future with confidence and excitement.

David Traynor
Chief Executive

	6 mths ended 30 September 2017	6 mths ended 30 September 2016 £	Year ended 31 March 2017 £
REVENUE	934,076	909,073	3,127,182
Cost of sales	(590,692)	(625,601)	(1,375,553)
GROSS PROFIT	343,384	283,472	1,751,629
Sales and marketing costs	(322,566)	(198,312)	(386,032)
Research and development costs	(194,905)	(242,737)	(412,269)
Other administrative costs	(417,472)	(356,035)	(926,501)
OPERATING LOSS / (PROFIT) BEFORE SHARE-BASED PAYMENTS DEPRECIATION AND AMORTISATION	(591,559)	(513,612)	26,827
Share based compensation	(38,727)	(15,453)	(92,722)
Expense on amendment of convertible loan note terms	(26,000)	-	-
Amortisation	(94,794)	(33,936)	(94,204)
Depreciation	(9,060)	(5,102)	(15,504)
OPERATING LOSS	(760,140)	(568,103)	(175,603)
Finance income	-	83	184
Finance costs	(44,841)	(8,270)	(16,443)
Research and development (R & D) tax credits	-	-	65,435
LOSS BEFORE TAX	(804,981)	(576,290)	(126,427)
Taxation	-	-	-
LOSS FOR THE FINANCIAL YEAR	(804,981)	(576,290)	(126,427)
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation difference	(10,859)	-	20,520
Other comprehensive income/(expense)	-	-	20,520
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(815,840)	(576,290)	(105,907)
Basic and fully diluted loss per share – pence	(0.28)	(0.21)	(0.05)

Byotrol plc
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2017

	As at 30 September 2017 £	As at 30 September 2016 £	As at 31 March 2017 £
ASSETS			
Non-current assets			
Property, plant and equipment	35,007	18,926	44,067
Intangible assets	675,461	579,321	690,987
	710,468	598,247	735,054
Current assets			
Inventories	126,416	154,670	200,795
Trade and other receivables	695,617	583,618	860,236
Cash and cash equivalents	4,834,477	525,752	951,088
	5,656,510	1,264,040	2,012,119
	6,366,978	1,862,287	2,747,173
LIABILITIES			
Current liabilities			
Trade and other payables	519,737	404,961	750,074
Convertible loan notes	-	359,975	-
	519,737	764,936	750,074
Long term liabilities			
Convertible loan notes	-	-	352,096
	-	-	352,096
Equity			
Share capital	1,007,092	670,129	670,129
Share premium account	27,522,864	22,849,284	22,849,284
Merger reserve	1,064,712	1,064,712	1,064,712
Other reserves	(36,587)	23,053	43,573
Retained deficit	(23,710,840)	(23,509,827)	(22,982,695)
TOTAL EQUITY	5,847,241	1,097,351	1,645,003
TOTAL EQUITY AND LIABILITIES	6,366,978	1,862,287	2,747,173

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
At 1 April 2016	670,129	22,849,284	1,064,712	23,053	(22,948,990)	1,658,188
Loss for the period	-	-	-	-	(576,290)	(576,290)
Currency translation difference	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(576,290)	(576,290)
Share based payments	-	-	-	-	15,453	15,453
Balance as at 30 September 2016	670,129	22,849,284	1,064,712	23,053	(23,509,827)	1,097,351
Profit for the period	-	-	-	-	449,863	449,863
Currency translation difference	-	-	-	20,520	-	20,520
Total comprehensive profit for the period	-	-	-	20,520	449,863	470,383
Share based payments	-	-	-	-	77,269	77,269
Balance as at 31 March 2017	670,129	22,849,284	1,064,712	43,573	(22,982,695)	1,645,003

	Share capital £	Share premium £	Merger reserve £	Other reserves £	Retained earnings reserve £	Total equity £
Loss for the period	-	-	-	-	(804,981)	(804,981)
Currency translation difference	-	-	-	(10,859)	-	(10,859)
Total comprehensive loss for the period	-	-	-	(10,859)	(804,981)	(815,840)
Share issue	309,820	4,647,293	-	-	-	4,957,113
Share issue costs	-	(380,858)	-	-	-	(380,858)
Share based payments	-	-	-	-	38,727	38,727
Conversion of convertible loan notes	27,143	407,145	-	(69,301)	38,109	403,096
Balance as at 30 September 2017	1,007,092	27,522,864	1,064,712	(36,587)	(23,710,840)	5,847,241

Byotrol plc
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the 6 month period ended 30 September 2017

	6 mths ended 30 September 2017 £	6 mths ended 30 September 2016 £	Year ended 31 March 2017 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period before tax	(804,981)	(576,290)	(126,427)
Adjustments for:			
Share based payments	38,727	15,453	92,722
Expense on amendment of convertible loan note terms	26,000	-	-
Depreciation	9,060	5,102	15,504
Amortisation	94,794	33,936	94,204
Loss on disposal of property, plant and equipment	-	-	139
Impairment of intangible assets	-	-	23,586
Finance income	-	(83)	(184)
Finance costs	44,841	8,270	16,443
Changes in working capital			
Decrease in inventories	74,379	65,648	19,523
Decrease in trade and other receivables	164,619	200,263	(76,355)
(Decrease) in trade and other payables	(230,337)	(185,763)	159,350
CASH GENERATED / (USED) IN OPERATING ACTIVITIES	(582,898)	(433,464)	218,505
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	-	(1,606)	(37,288)
Payments to acquire intangible assets	79,268	(48,179)	(243,699)
Finance income	-	83	184
NET CASH USED IN INVESTING ACTIVITIES	(79,268)	(49,702)	(280,803)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of ordinary shares	4,957,112	-	-
Share issue costs	(380,858)	-	-
Interest paid	(19,841)	(8,270)	(24,322)
NET CASH INFLOW /(OUTFLOW) FROM FINANCING	4,556,413	(8,270)	(24,322)
Net increase/(decrease) in cash and cash equivalents	3,894,247	(491,436)	(86,620)
Cash and cash equivalents at the beginning of the financial year	951,088	1,017,188	1,017,188
Effect of foreign exchange rate changes	(10,858)	-	20,520
Cash and cash equivalents at the end of the financial year	4,834,477	525,752	951,088

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 2017 and the applicable provisions of the Companies Act 2006. The interim financial statements are unaudited and were approved by the Directors on 13th December 2017. 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 2017 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 2017 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 2017, but had, at the period end, cash reserves and net assets of £4,834,477 and £5,847,241. 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.

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.

	Continuing operations			
	Professional	Consumer	Pet	Total
6 months ended 30 September 2017	£	£	£	£
REVENUE				
United Kingdom	534,185	87,196	120,087	741,468
North America	601	22,401	-	23,002
Rest of World	12,052	-	157,554	169,606
Total revenue	546,838	109,597	277,641	934,076
Cost of sales	(417,983)	-	(172,709)	(590,692)
Gross profit	128,855	109,597	104,932	343,384
Centrally incurred income and expenditure not attributable to individual segments:				
Sales and marketing costs				(322,566)
Research and development costs				(194,905)
Other administrative costs				(417,472)
Depreciation and amortisation				(103,854)
Share based payments				(38,727)
Expense on amendment of convertible loan note terms				(26,000)
Finance income				-
Finance costs				(44,841)
Loss before tax				(804,981)

3. Segmental information (continued)

	Continuing operations			
	Professional	Consumer	Pet	Total
6 months ended 30 September 2016	£	£	£	£
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	161,406	33,526	88,540	283,472

Central income and expenditure not attributable to individual segments:	
Sales and marketing costs	(198,312)
Research and development costs	(242,737)
Other administrative costs	(356,035)
Depreciation and amortisation	(39,038)
Share based payments	(15,453)
Finance income	83
Finance Costs	(8,270)
	(576,290)

	Continuing operations			
	Professional	Consumer	Pet	Total
Year ended 31 March 2017	£	£	£	£
REVENUE				
United Kingdom	1,151,840	1,146,956	408,408	2,707,204
North America	25,228	5,402	-	30,630
Rest of World	3,763	-	385,585	389,348
Total revenue	1,180,831	1,152,358	793,993	3,127,182
Cost of sales	(850,699)	-	(524,854)	(1,375,553)
Gross Profit	330,132	1,152,358	269,139	1,751,629

Central income and expenditure not attributable to individual segments:	
Sales and marketing costs	(386,032)
Research and development costs	(412,269)
Other administrative costs	(926,501))
Depreciation and amortisation	(109,708)
Share based payments	(92,722)
Finance income	184
Finance Costs	(16,443)
Research and development (R&D) tax credits	65,435
	(126,427)

4. Loss per share

The loss per ordinary share is based on the losses for the period of £804,981 (six months ended 30 September 2016: £576,290; twelve months ended 31 March 2017: £126,427) and the weighted average number of ordinary shares in issue during the period of 287,992,349 (six months ended 30 September 2016; 268,051,565, twelve months ended 31 March 2017: 268,051,565).

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 2017 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 2018.

6. Interim announcement

The interim report was released on 14 December 2017. It is also available on the Company's website, www.byotrol.co.uk