

6 August 2018

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Trading & Operations Update

("Symphony", the "Group" or the "Company")

Symphony Environmental Technologies Plc (AIM: SYM), a global specialist in products and technologies that "make plastic smarter", is pleased to provide a positive trading and operations update and healthy outlook.

Symphony's commercial proposition continues to respond positively to the global challenge of eliminating harmful plastic waste – placing the Group in a strong market position for the future.

Financial highlights (unaudited)

- Group revenues up 11% to £4.1 million for the six months to 30 June 2018 (H1-2017: £3.7million)
- Revenues from the Group's d2w oxo-biodegradable technologies were stable at £3.6 million (H1-2017: £3.6 million). However, due to US dollar depreciation in the period compared with H1-2017, d2w revenues on a constant currency basis would have been approximately 11% higher. Ramadan and Eid (17 May to 15 June) also significantly reduced June sales from Symphony's main Middle East market with orders being deferred to July
- Revenues from the Group's d2p anti-microbial technologies increased significantly to £0.5 million for the six months to 30 June 2018 (H1-2017: £0.0 million)
- Sales and marketing spend increased by approximately £0.2 million during H1-2018 in line with management expectations
- Healthy balance sheet with net cash of £0.6 million at 30 June 2018 (31 December 2017: £0.6 million, 30 June 2017: net debt £0.6 million)
- The second half of the year has started well and the Board are confident the Group will meet full year market expectations

Operational highlights

d2w "oxo-biodegradable" ("OXO")

- OXO technologies continue to represent the majority of the Group's revenues and are principally derived from outside Europe

- These products are mainly for single use plastics which include, but are not limited to, shopping bags, bin liners, diapers, coffee capsules, drinking straws, agricultural and food and other packaging films
- Increasing regulation in favour of OXO type additives. Eleven governments globally have now mandated that certain plastic products must contain oxo-biodegradable additives
- More robust enforcement of this legislation is generating increased d2w revenues, particularly in the Middle East and Pakistan
- Eco-label for d2w renewed by Brazilian standards authority, ABNT, following a full audit
- Pursuant to the Oxomar Project (“OXOMAR” – see notes below) which is sponsored by ANR, the French National Research Agency, French scientists have recently published a paper demonstrating enhanced bacterial colonisation of degraded oxo-biodegradable plastics

d2p “designed to protect”

- Symphony has continued to invest into a range of speciality products which are synergistic with its customer base so as to expand the product offering.
- Latex and nitrile household glove sales increasing significantly in Italy, and now listed in numerous large retail outlets
- Anti-microbial glove sales also increasing in the UAE and the United States
- Having launched the world’s first d2p antimicrobial water pipe in Pakistan last year, repeat orders were placed in the period.
- NSF International has certified d2p antimicrobial masternatch for use in water pipes for North America having conformed with the requirements of NSF/ANSI Standard 61 - Drinking Water System Components
- Flame retardant approvals obtained in the United States (NF94 and NFPA standards), the UK (LPS 1207) and the EU (NFP 92-503)
- Range of d2p products expanded with production of hospital overalls, examination gloves and tooth brushes having commenced in the period

Michael Laurier, Symphony CEO said: “The momentum we announced in our Trading Update on 15 May 2018 has continued, particularly on a constant currency basis, but also and in spite of a quieter June for our d2w OXO technologies due to Ramadan and Eid affecting our Middle East markets.

“In addition, the Group’s investment in and development of innovative new products in our d2p range of products is driving commercial growth. The Italian market for d2p retail gloves is progressing strongly as more stores are listing the product and our distributor is performing well.

“Our strategy to become a multi-product Group continues to progress as more of our projects reach the commercialisation phase. Symphony has a growing range of “making plastic smarter” technologies as additives for use by plastic producers and innovative finished products for end customer use.

“Whilst recent media coverage has not fairly presented the scientifically proven benefit of oxo-biodegradable technology such as d2w OXO, the recent paper by French scientists is consistent with the conclusions of the many other studies and tests performed on d2w OXO over the last 20+ years.

“Symphony’s d2w OXO technology is validated in terms of degradability, biodegradability, and ecotoxicity by reference to existing European and US Standards, and also conforms with the EU Packaging Waste Directive.

“The Board is of the view that this is a pivotal period, with growing demand for our suite of technologies. We expect to sell record volumes of both our d2w and d2p products this year and look forward to the second half of the year with optimism. We are confident the Group will meet market expectations for this financial year.”

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NOTES TO EDITORS:

About Symphony Environmental Technologies plc

Symphony has developed and continues to develop, controlled-life plastic technology which helps tackle the problem of microplastics by turning ordinary plastic at the end of its service-life into biodegradable materials. It is then no longer a plastic and can be bioassimilated in the open environment in the same way as a leaf. The technology is branded d₂w® and appears as a droplet logo on many thousands of tonnes of plastic packaging and other plastic products around the world. In some countries, most recently Saudi Arabia, oxo-biodegradable plastic is mandatory.

In addition, Symphony has developed a range of additives, concentrates and master-batches marketed under its d₂p® brand, which can be incorporated in a wide variety of plastic and non-plastic products so as to give them protection against many different types of bacteria, fungi, algae, moulds, and insects, and against fire. d₂p products also include odour, moisture and ethylene adsorbers as well as other types of food-preserving technologies. We have also launched d₂p anti-microbial household gloves and are developing a range of other d₂p finished products for retail sale.

Symphony has also developed the d₂Detector®, a portable device which analyses plastics and detects counterfeit products. This is useful to government officials tasked with enforcing legislation, and Symphony's d₂t tagging and tracer technology is available for further security.

Symphony has a diverse and growing customer-base and has established itself as an international business with 74 distributors around the world. Products made with Symphony's

plastic technologies are now available in nearly 100 countries and in many different product applications. Symphony itself is accredited to ISO9001 and ISO14001.

Symphony is a member of The Oxo-biodegradable Plastics Association (www.biodeg.org) (OPA), the Society for the Chemical Industry (UK), and the Pacific Basin Environmental Council. Symphony is also a strategic partner of the Commonwealth business initiative, and actively participates in the Committee work of the British Standards Institute (BSI), the American Standards Organisation (ASTM), the European Standards Organisation (CEN), and the International Standards Organisation (ISO).

Further information on the Symphony Group can be found at www.symphonyenvironmental.com and twitter @SymphonyEnv See also Symphony on Instagram A Symphony App is available for downloading to smartphones.

BBC World Service film introducing d2w oxo-biodegradable (controlled-life) plastic technology

From within the UK- <http://www.symphonyenvironmental.com/d2w/d2w-brochure-5/>

From outside of the UK - <http://www.bbc.com/storyworks/the-british-bid/symphony>

About OXOMAR

The OXOMAR project commenced in 2017 and is sponsored by ANR, the French National Research Agency. For further details on OXOMAR please see the following links

http://www.agence-nationale-recherche.fr/en/anr-funded-project/?tx_lwmsuivibilan_pi2%5BCODE%5D=ANR-16-CE34-0007

http://lomic.obs-banyuls.fr/fr/axe_4_ecotoxicologie_et_ingenierie_metabolique_microbienne/oxomar.html

For details of the paper referred to above:

[Dussud, C., Hudec, C., George, M., Fabre, P., Higgs, P., Bruzard, S., Delort, A., Eyheraguibel, B., Meistertzheim, A., Jacquin, J., Cheng, J., Callac, N., Odobel, C., Rabouille, S. and Ghiglione, J. \(2018\). **Colonization of Non-biodegradable and Biodegradable Plastics by Marine Microorganisms.** *Frontiers in Microbiology*, 9.](#)