7 September 2017

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

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

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this information is considered to be in the public domain

Interim Results

Symphony Environmental Technologies Plc (AIM: SYM), a global specialist in products and technologies to "make plastic smarter", today announces its interim financial statements for the six-month period ended 30 June 2017.

Highlights

- Revenues increased by 14% to £3.69 million (2016 H1: £3.23 million)
- Gross profit increased by 13% to £1.84 million (2016 H1: £1.63 million)
- Operating profit increased by 276% to £109,000 (2016 H1: £29,000)
- Profit before tax increased by 400% to £95,000 (2016 H1: £19,000)
- Basic earnings per share increased by 50% to 0.06 pence (2016 H1: 0.04 pence)

Non-financial highlights

- d2p household glove launch in UK and first order received for d2p gloves in Italy
- Dadex Eternet Limited ("Dadex") launch d2p treated water pipes in Pakistan
- d2w awarded the Quality Mark from the Saudi Standards, Metrology and Quality Organisation ("SASO") which makes Symphony an authorised supplier for the purpose of the Saudi law which requires everyday plastic products to be oxo-biodegradable

Commenting on the results Nirj Deva, Chairman of Symphony, said:

The business is performing well and I am pleased to present a positive set of results for the first half of 2017 with growth in sales and profit.

Revenues increased by 14% compared to the same period last year to £3.69 million (2016 H1: £3.23 million) primarily as a result of d2w growth in the Middle East and South America. Gross profit margins have remained consistent at 50%, resulting in an increase in gross profit contribution in line with revenue, at £1.84 million (2016 H1: £1.63 million).

Expenses marginally increased during the period by 7% from £1.50 million to £1.60 million due to augmented R&D activities, and costs associated with quality assurance audits, customer trials and government approvals, such as obtaining the SASO Quality Mark.

As previously communicated, most of our revenues are derived from d2w controlled-life plastic technology which is supplied either as a masterbatch to manufactures or finished products to end-users. Global demand for our d2w products is clearly increasing, as biodegradable plastics are becoming a more preferred solution, due to demands by governments and industry, and also by consumer pressure.

This is currently most apparent in the Middle East, and in particular in Saudi Arabia where, as advised at our Annual General Meeting on 12 May 2017, enforcement of the mandatory use of oxo-biodegradable technology has commenced. We received an initial uplift in orders and enquiries from our distributor in the region, and are monitoring closely to establish expected recurring revenues over the short to medium term.

d2p “designed to protect” technology is also supplied as a masterbatch and finished product. During the period, Dadex, one of the largest plastic producers in Pakistan, launched a range of plastic water pipes using our d2p antimicrobial masterbatch, and I am pleased to say that we have since received repeat orders, as their customers start to adopt their d2p antimicrobial treated pipes.

The d2p “Protector Health & Hygiene” consumer product brand was launched in Wilko during this period as a household glove. This is the first of a developing range, which we will hopefully grow over the coming year. Orders for d2p treated gloves have also been received through a new distribution partner in Italy for retail distribution.

The second half of 2017 has started strongly and the Board remains pleased with progress during the period and the increasing commercial traction of the Group’s products. The Board looks forward to updating the market as further progress is achieved and is very confident of meeting market expectations for the full year.

For further information, contact:

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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 d_2w® and appears as a droplet logo on many thousands of tonnes of plastic packaging and other plastic products around the world. In some countries oxo-biodegradable plastic is mandatory. For a video of d2w® plastic degrading see https://www.youtube.com/watch?v=tQ7ce532BBM

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, insects and fire.

Symphony has also developed the d_2Detector®, a portable device which analyses plastics and detects counterfeit products. This will be very useful to government officials tasked with enforcing legislation. Symphony's d_2t tagging and tracer technology is also available for further security. See www.d2t.net

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 is certified 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 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.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Chief Executive's review

This reporting period shows a good set of trading results and customer activity is at an all-time high for both d2w and d2p products and technologies.

Growth in sales has resulted from positive changes of legislation and an increase in customer demand in our key markets which continue to be outside of Europe.

The majority of our revenue is in US Dollars which continues to be favourable against Sterling.

Trading results

Total revenue increased 14% for the first six months of 2017 to £3.69 million compared to £3.23 million for the first six months of 2016. The increase was mainly due to d2w growth in the Middle East and South America. Gross profit for the same period was £1.84 million compared to £1.63 million for the first half of 2016, an increase of 13% and in line with the revenue increase. The gross profit margin was stable at 49.7% (2016 H1: 50.4%).

Administrative expenses increased by 7% to £1.60 million during the period (2016 H1: £1.50 million). This was due to increased R&D activity and costs associated with quality assurance audits, primarily in obtaining the SASO Quality Mark.

The Group's operating profit for the period increased by 276% to £109,000 (2016 H1: £29,000) and net profit before tax was £95,000 (2016 H1: £19,000). Profit after tax was £95,000 (2016 H1: £64,000 after receipt of a £45,000 R&D tax credit).

Earnings per share for the period increased to 0.06 pence (2016 H1: 0.04 pence).

Balance sheet and cash-flow

Cash of £0.28 million was consumed by operations during the period (2016 H1: £0.28 million) due to an increase in receivables and reduction in trade payables. Trade receivables increased as a result of higher revenues in the second quarter of the period. Trade and other receivables were £1.80 million as at 30 June 2017 (31 December 2016: £1.58 million). Trade and other payables were £0.75 million as at 30 June 2017 (31 December 2016: £0.92 million).

The net cash consumed was funded by our invoice finance facility together with proceeds from new shares issued totalling £92,000. The Group has an invoice-discounting facility of £1.50 million to assist in funding outstanding receivables when required. Group net borrowings (borrowings after cash at bank and in hand) were £0.58 million at 30 June 2017 (31 December 2016: £0.48 million and 30 June 2016: £0.34 million). The Group has agreed an additional £0.50 million facility to fund accelerated revenue growth, if required. The Board believes that the Group has sufficient working capital to support the business and its current opportunities going forward.

Outlook

The issue of plastic pollution, especially by microplastics, has become a high-profile topic and the global pressure for change has never been greater than now. It is not a simple task to replace plastics due to cost and product attributes such as food preservation and general protection. This developing situation is therefore creating more attention to less disruptive and more economical alternatives such as d2w controlled-life technology.

Demand for d2w technology and finished products is therefore expected to increase as more governments pass legislation or accelerate the enforcement process. This, together with more consumer awareness is becoming a reality after many years of investment in PR and marketing.

As previously communicated, we have a substantial number of customer led d2p projects and some of these are nearing completion of the R&D stage. The main areas include flame retardants, insecticides, and odour adsorbers, together with antimicrobial masterbatches and finished products.

We look forward to the future with confidence.
Michael Laurier, Chief Executive

Condensed consolidated interim statement of comprehensive income

		6 months to 30 June 2017 Unaudited		6 months to 30 June 2016 Unaudited		12 months to 31 December 2016 Audited
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Revenue		**3,693**		**3,228**		**6,801**
Cost of sales		(1,856)		(1,600)		(3,395)
Gross profit		**1,837**		**1,628**		**3,406**
Distribution costs		(128)		(104)		(176)
Administrative expenses:						
- recurring	(1,600)		(1,467)		(3,031)	
- non-recurring	-		(28)		(54)	
Administrative expenses		(1,600)		(1,495)		(3,085)
Operating profit/(loss):						
- recurring	109		57		199	
- non-recurring	-		(28)		(54)	
Operating profit		**109**		**29**		**145**
Finance costs		(14)		(10)		(22)
Profit for the period before tax		**95**		**19**		**123**
Tax credit		-		45		45
Profit for the period		**95**		**64**		**168**
Total comprehensive income for the period		**95**		**64**		**168**
Earnings per share:						
Basic		0.06p		0.04p		0.11p
Diluted		0.06p		0.04p		0.10p

All results are attributable to the owners of the parent.
There were no discontinuing operations for any of the above periods.

Condensed consolidated interim statement of financial position (balance sheet)

	At 30 June 2017 Unaudited £'000	At 30 June 2016 Unaudited £'000	At 31 December 2016 Audited £'000
Assets			
Non-current			
Property, plant and equipment	269	334	298
Intangible assets	55	65	62
	324	**399**	**360**
Current			
Inventories	455	388	416
Trade and other receivables	1,799	1,296	1,576
Cash at bank and in hand	44	45	437
	2,298	**1,729**	**2,429**
Total assets	**2,622**	**2,128**	**2,789**
Equity			
Equity attributable to owners of Symphony Environmental Technologies plc			
Share capital	1,516	1,499	1,499
Share premium account	3,608	3,533	3,533
Retained earnings	(3,876)	(4,075)	(3,971)
Total equity	**1,248**	**957**	**1,061**
Liabilities			
Non-current			
Interest bearing loans and borrowings	-	4	2
	-	**4**	**2**
Current			
Interest bearing loans and borrowings	621	388	808
Trade and other payables	753	779	918
	1,374	**1,167**	**1,726**
Total liabilities	**1,374**	**1,171**	**1,728**
Total equity and liabilities	**2,622**	**2,128**	**2,789**

Condensed consolidated interim statement of changes in equity

Equity attributable to the owners of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the six months to 30 June 2017				
Balance at 1 January 2017	1,499	3,533	(3,971)	1,061
Issue of share capital	17	75	-	92
Transactions with owners	17	75	-	92
Total comprehensive income for the period	-	-	95	95
Balance at 30 June 2017	**1,516**	**3,608**	**(3,876)**	**1,248**
For the six months to 30 June 2016				
Balance at 1 January 2016	1,499	3,533	(4,139)	893
Total comprehensive income for the period	-	-	64	64
Balance at 30 June 2016	**1,499**	**3,533**	**(4,075)**	**957**
For the year to 31 December 2016				
Balance at 1 January 2016	1,499	3,533	(4,139)	893
Total comprehensive income for the year	-	-	168	168
Balance at 31 December 2016	**1,499**	**3,533**	**(3,971)**	**1,061**

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2017 Unaudited £'000	6 months to 30 June 2016 Unaudited £'000	12 months to 31 December 2016 Audited £'000
Operating activities:			
Profit for the period after tax	**95**	**64**	**168**
Depreciation	38	44	86
Amortisation	8	8	13
Loss on disposal	-	18	10
Foreign exchange	53	-	(25)
Tax credit	-	(45)	(45)
Interest expense	14	10	22
Change in inventories	(39)	89	62
Change in trade and other receivables	(272)	(444)	(694)
Change in trade and other payables	(173)	(73)	60
Cash consumed in operations	**(276)**	**(329)**	**(343)**
Tax received	-	45	45
Net cash consumed in operations	**(276)**	**(284)**	**(298)**
Investing activities:			
Additions to property, plant and equipment	(19)	(4)	(8)
Proceeds from disposals of property, plant and equipment	9	5	11
Additions of intangible assets	-	-	(2)
Cash (consumed)/generated in investing activities	**(10)**	**1**	**1**
Financing activities:			
Movement in working capital facility	(42)	201	464
Discharge of finance lease liability	(2)	(2)	(4)
Proceeds from share issue	92	-	-
Interest paid	(14)	(10)	(22)
Cash generated in financing activities	**34**	**189**	**438**
Net change in cash and cash equivalents	**(252)**	**(94)**	**141**
Cash and cash equivalents, beginning of period	258	117	117
Cash and cash equivalents, end of period	**6**	**23**	**258**

Bank overdraft of £38,000 (30 June 2016: £22,000) (31 December 2016: £179,000) is included in cash and cash equivalents.

Notes to the interim financial statements

1 Nature of operations and general information

Symphony Environmental Technologies plc (the “Company”) and subsidiaries’ (together the “Group”) principal activities include the development and supply of environmental plastic additives and products, and the development of waste to value systems.

Symphony Environmental Technologies plc, a public limited company, is the Group’s ultimate parent company. It is incorporated and domiciled in England. The address of its registered office is 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD, England. The Company’s shares are listed on the AIM market of the London Stock Exchange.

These condensed interim consolidated financial statements (“interim financial statements” or “interim report”) are for the six months ended 30 June 2017. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016.

The financial information set out in this interim report does not constitute statutory accounts. The Group’s statutory financial statements for the year ended 31 December 2016 have been filed with the Registrar of Companies. The auditor’s report on those financial statements was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. These interim condensed consolidated financial statements have not been audited.

These interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, and are presented in Sterling (£), which is the functional currency of the parent company. They have been prepared under the historical cost convention. They have also been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards that are adopted by the European Union, and the policies and measurements are consistent with those stated in the financial statements for the year ended 31 December 2016.

These interim financial statements were approved by the board on 6 September 2017.

2 Significant accounting policies

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2016. There have been no changes in the period.

3 Seasonal fluctuations

The Group operates in many countries and in many different markets. There are therefore no formal or considered seasonal fluctuations affecting the operations of the Group.

4 Segmental analysis

The Board considers that the Group does not have separate operating segments as defined under IFRS 8.

5 Shares issued

Shares issued are summarised as follows:

Shares issued and fully paid	6 months to 30 June 2017	6 months to 30 June 2016	Year to 31 December 2016
- beginning of period	149,939,377	149,939,377	149,939,377
- issued during the period	1,675,000	-	-
Total equity shares issued and fully paid at end of period	**151,614,377**	**149,939,377**	**149,939,377**

6 Earnings per share and dividends

The calculation of earnings per share is based on the result attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of dilutive options and warrants which were exercisable during the period.

Reconciliations of the results and weighted average numbers of shares used in the calculations are set out below:

Basic and diluted	6 months to 30 June 2017	6 months to 30 June 2016	Year to 31 December 2016
Profit attributable to owners of the Company	**£95,000**	**£64,000**	**£168,000**
Weighted average number of ordinary shares in issue	151,614,377	149,939,377	149,939,377
Basic earnings per share	**0.06 pence**	**0.04 pence**	**0.11 pence**
Dilutive effect of weighted average options and warrants	16,136,953	24,456,500	15,794,717
Total of weighted average shares together with dilutive effect of weighted options and warrants	167,751,330	174,395,877	165,734,094
Diluted earnings per share	**0.06 pence**	**0.04 pence**	**0.10 pence**

No dividends were paid for the year ended 31 December 2016.

7 Availability of Interim Financial Statements

Paper copies of the Interim Financial Statements will be sent to shareholders upon request. Shareholders will be able to download a copy of the Interim Financial Statements from the Group's website www.symphonyenvironmental.com. Further copies of the Interim Financial Statements will be available from the Company's Registered Office at 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire WD6 1JD.