30 August 2018

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", is pleased to announce its interim financial statements for the six-month period ended 30 June 2018.

Financial highlights

- Revenues increased by 11% to £4.1 million (H1-2017: £3.7 million) with gross profit up by 6% to £2.0 million (H1-2017: £1.8 million)
- 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
- Revenues from the Group's d2p anti-microbial technologies increased significantly to £0.5 million (H1-2017: £0.0 million)
- Operating profit fell to £18,000 (H1-2017: £109,000) but this was impacted by the Board's strategic decision to increase communication and marketing costs, of which an additional £171,000 was incurred in H1-2018
- Basic earnings per share of 0.01 pence (H1-2017: 0.06 pence)

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 – which continue to see increased consumer interest as concerns regarding plastics waste grow - 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
- Eleven governments globally have now mandated that certain plastic products must contain oxo-biodegradable additives; a regulatory move which is beneficial to the Company's standing
- 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 and delivered in the period
- NSF International has certified d2p antimicrobial masterbatch 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

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

We announced a comprehensive trading and operations update on 6 August 2018 and these half year results are consistent with that.

I am pleased to report an 11% increase in Group revenues to £4.1 million and in particular, new revenues from the Group's d2p anti-microbial technologies of £0.5 million (H1-2017: £0.0 million). This was achieved despite the average US dollar rate depreciating against Sterling in the period compared to H1-2017.

The growth in d2p revenues was mainly due to anti-microbial household glove sales in Italy together with repeat orders for d2p anti-microbial additive technology for use inside water pipes for the developing Pakistan market. We continue to see increasing d2p glove sales in Italy and are also optimistic of future sales given our recent expansion into new markets in the United Stated and the UAE.

We have also achieved NSF International certification for d2p anti-microbial masterbatch use in drinking water pipes which is an important step in opening up the North American market.

The commercialisation process for a number of our other d2p technologies is progressing and updates will be provided in due course. These d2p technologies include further anti-microbial products, flame retardants, odour and ethylene adsorbers, and insecticides, where we believe significant revenues can be achieved throughout our global distribution network.

As previously reported, we increased our full year 2018 marketing budget by £375,000 for allocation into improving our communication and marketing actions, particularly in relation to OXO. Most of this is for UK, Europe and USA activity. As the global drive for urgent change to more environmentally responsible products and technologies continue, we have seen and responded to some misleading and factually incorrect media and press coverage. There have also been many publications which were positive, including in TV media, such as RT America, which recently aired Symphony and d2w in a balanced and factual manner.

Much of the miscommunications against OXO technologies are being undertaken primarily in the EU by organisations with vested interests in other technologies. These other technologies do not have the same level of legislation and regulation in their favour, and in particular are not considered as an option to resolve the issue of plastics that escape collection and damage the environment. Our d2w technology is marketed and sold as a drop-in technology that acts as an "insurance policy" in the event that plastics escape being reused, collected or recycled.

We have comprehensive and independent evidence supporting oxo-biodegradable and its environmental benefits, and we are confident of our position and that we can fully defend our d2w technology. Oxo-biodegradable technology has been mandated for many types of plastic products in eleven countries where they have reviewed the evidence and understand its significant environmental benefits. Our d2w oxo-biodegradable technology has been fully validated for degradability, biodegradability and eco-toxicity under international standards and conforms to the EU Packaging Waste Directive.

As reported on 14 March 2018 in our Preliminary Results, the EU Commission has requested the European Chemicals Agency (ECHA) to review the evidence on oxo-degradable plastics and to prepare a report to the

Commission on whether any restrictions should be applied to this type of plastic. Our d2w plastic is not oxo-degradable, but oxo-biodegradable, as defined by the European Standards authority "CEN", but we have nevertheless provided substantial evidence to ECHA. ECHA's report is expected to be published in January 2019.

We have, and will, continue to invest significantly into R&D and for the reasons set out above, we have increased our communication and marketing spend. The business continues to perform profitably inclusive of those costs. Stripping out those costs, the underlying business performed well with an 18% increase in Adjusted EBITDA (as defined in the Chief Executives Review) to £588,000 from £498,000 in the first half of 2017.

Your Board believe we are in a pivotal period with growing demand for our technologies. We expect to deliver record volumes for both our d2w and d2p technologies in 2018 and look forward with confidence.

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Chief Executive's review

This has been an important period for the Group with continued profitability alongside our continued investment in R&D together with significantly increased costs associated with communications and marketing.

The underlying business is performing well, and we continue with our strategy to add new technologies within the Group's existing operational framework as and when they are ready for market.

I am pleased with the success of our d2p anti-microbial gloves in Italy and this will continue as we expand into more of the large retail groups during the year. A number of our other territories have started to show signs of growth, in particular the USA and Middle East.

Gaining NSF International approval for our d2p anti-microbial technology means that we can start to market in North America our range of masterbatches for drinking water pipes where we have already gained commercial traction in Pakistan.

The majority of our revenue continues to be denominated in US Dollars. Due to the US dollar depreciating against Sterling in the period compared with H1-2017, d2w revenues remained constant at £3.6 million. However, on a constant currency basis, d2w revenues would have been approximately 11% higher.

Trading results

Total revenue increased 11% for the first six months of 2018 to £4.1 million compared to £3.7 million for the first six months of 2017. The increase was mainly due to growth of d2p glove sales and water pipes generating revenue of £0.5 million (compared with just £0.0 million in H1-2017). Gross profit increased 6% to £2.0 million compared to £1.8 million for the first half of 2017, but gross margin decreased to 47.4% (H1-2017: 49.7%) due to increased finished product sales mix which have a lower gross margin than additives. Finished products accounted for £0.47 million of revenues during the period, compared to £0.14 million in the first half of 2017.

Administrative expenses increased by 14% to £1.82 million during the period (2017 H1: £1.60 million) mainly due to increased marketing and communication costs of £0.17 million. The remainder of the increase related to staff costs, and in particular in administration, supply chain and technical departments.

The Board has reviewed the underlying position of the business using the following Adjusted EBITDA calculation taking account of R&D and communication and marketing costs which have not yet had a significant positive effect on the Group's revenues:

£'000	**H1 2018**	**H1 2017**
Operating profit	18	109
Depreciation and amortisation	47	47
R&D costs	305	295
Communication and marketing costs	218	47
Adjusted EBITDA	**588**	**498**

Group operating profit for the period was £18,000 (H1-2017: £109,000), profit before tax was £7,000 (H1-2017: £95,000) and profit after tax was £13,000 (H1-2017: £95,000).

Earnings per share for the period decreased to 0.01 pence (H1-2017: 0.06 pence).

Balance sheet and cash-flow

The Group had net cash (no borrowings) of £0.63 million at 30 June 2018 (31 December 2017: net cash of £0.63 million and 30 June 2017: net borrowings of £0.58 million).

Cash of £0.34 million was consumed by operations during the period (H1-2017: £0.28 million) due to an increase of £0.50 million in receivables due to longer credit term mix on business towards the end of the period. The net cash consumed was funded by proceeds from new shares issued as a result of options and warrants being exercised totalling £0.36 million.

The Group has an invoice-discounting facility of £1.5 million to assist in funding outstanding receivables when required. The Board believes that the Group has sufficient working capital to support the business and its current opportunities going forward.

Outlook

The Chairman has detailed the current status with respect to oxo-biodegradables, the technology, the media and the EU. We are confident of our technology position and expect to make positive ground over the coming months.

We have active markets globally for both our d2w and d2p technologies, and have established distribution channels to enable significant revenue growth of both our existing commercial technologies, but also the range of new technologies under development.

We look forward to the future with confidence.

Michael Laurier, Chief Executive

Condensed consolidated interim statement of comprehensive income

	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	12 months to 31 December 2017 Audited £'000
Revenue	**4,117**	**3,693**	**8,267**
Cost of sales	(2,167)	(1,856)	(4,255)
Gross profit	**1,950**	**1,837**	**4,012**
Distribution costs	(108)	(128)	(237)
Administrative expenses	(1,824)	(1,600)	(3,297)
Operating profit	**18**	**109**	**478**
Finance costs	(11)	(14)	(48)
Profit for the period before tax	**7**	**95**	**430**
Tax credit	6	-	-
Profit for the period	**13**	**95**	**430**
Total comprehensive income for the period	**13**	**95**	**430**
Earnings per share:			
Basic	0.01p	0.06p	0.28p
Diluted	0.01p	0.06p	0.27p

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 2018 Unaudited £'000	At 30 June 2017 Unaudited £'000	At 31 December 2017 Audited £'000
Assets			
Non-current			
Property, plant and equipment	261	269	291
Intangible assets	42	55	47
	303	**324**	**338**
Current			
Inventories	525	455	567
Trade and other receivables	1,479	1,799	992
Cash at bank and in hand	629	44	631
	2,633	**2,298**	**2,190**
Total assets	**2,936**	**2,622**	**2,528**
Equity			
Equity attributable to owners of Symphony Environmental Technologies plc			
Share capital	1,543	1,516	1,516
Share premium account	333	3,608	-
Retained earnings	82	(3,876)	67
Total equity	**1,958**	**1,248**	**1,583**
Liabilities			
Current			
Interest bearing loans and borrowings	-	621	2
Trade and other payables	978	753	943
	978	**1,374**	**945**
Total liabilities	**978**	**1,374**	**945**
Total equity and liabilities	**2,936**	**2,622**	**2,528**

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 2018				
Balance at 1 January 2018	1,516	-	67	1,583
Issue of share capital	27	333	-	360
Share-based options	-	-	2	2
Transactions with owners	27	333	2	362
Total comprehensive income for the period	-	-	13	13
Balance at 30 June 2018	**1,543**	**333**	**82**	**1,958**

	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**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the year to 31 December 2017				
Balance at 1 January 2017	1,499	3,533	(3,971)	1,061
Issue of share capital	17	75	-	92
Capital reduction	-	(3,608)	3,608	-
Transactions with owners	17	(3,533)	3,608	92
Total comprehensive income for the period	-	-	430	430
Balance at 31 December 2017	**1,516**	**-**	**67**	**1,583**

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	12 months to 31 December 2017 Audited £'000
Operating activities:			
Profit for the period after tax	**13**	**95**	**430**
Depreciation	38	38	78
Amortisation	8	8	16
Loss on disposal	-	-	3
Foreign exchange	40	53	(5)
Share based payments	2	-	-
Tax credit	(6)	-	-
Interest expense	11	14	48
Change in inventories	42	(39)	(151)
Change in trade and other receivables	(497)	(272)	579
Change in trade and other payables	4	(173)	35
Cash consumed in operations	**(345)**	**(276)**	**1,033**
Tax received	6	-	-
Net cash consumed in operations	**(339)**	**(276)**	**1,033**
Investing activities:			
Additions to property, plant and equipment	(9)	(19)	(84)
Proceeds from disposals of property, plant and equipment	-	9	10
Additions of intangible assets	(2)	-	(1)
Cash consumed in investing activities	**(11)**	**(10)**	**(75)**
Financing activities:			
Movement in working capital facility	-	(42)	(625)
Discharge of finance lease liability	(1)	(2)	(4)
Proceeds from share issue	360	92	92
Interest paid	(11)	(14)	(48)
Cash generated in financing activities	**348**	**34**	**(585)**
Net change in cash and cash equivalents	**(2)**	**(252)**	**373**
Cash and cash equivalents, beginning of period	631	258	258
Cash and cash equivalents, end of period	**629**	**6**	**631**

Bank overdraft of £nil (30 June 2017: £38,000) (31 December 2017: £nil) 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.

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 2018. 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 2017.

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 2017 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 2017.

These interim financial statements were approved by the board on 29 August 2018.

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 2017. There have been no changes in the period other the adoption of IFRS 15, ‘Revenue from Contracts with Customers’. The revenue recognition and related disclosures of the Group will remain unchanged as all performance obligations under IFRS15 are met at the same time as per the previous revenue recognition policy.

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 2018	6 months to 30 June 2017	Year to 31 December 2017
- beginning of period	151,614,377	149,939,377	149,939,377
- issued during the period	2,730,000	1,675,000	1,675,000
Total equity shares issued and fully paid at end of period	**154,344,377**	**151,614,377**	**151,614,377**

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 2018	6 months to 30 June 2017	Year to 31 December 2017
Profit attributable to owners of the Company	**£13,000**	**£95,000**	**£430,000**
Weighted average number of ordinary shares in issue	151,920,953	151,614,377	151,089,240
Basic earnings per share	**0.01 pence**	**0.06 pence**	**0.28 pence**
Dilutive effect of weighted average options and warrants	9,278,488	16,136,953	9,925,427
Total of weighted average shares together with dilutive effect of weighted options and warrants	161,199,441	167,751,330	161,014,667
Diluted earnings per share	**0.01 pence**	**0.06 pence**	**0.27 pence**

No dividends were paid for the year ended 31 December 2017.

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.

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., Bruzaud, 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.

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.