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23 December 2022

## **SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC**

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

### **Trading Update**

Symphony Environmental Technologies Plc (AIM:SYM) global specialists in technologies that make plastic and rubber products "smarter, safer and sustainable", announces a trading update for the year ending 31 December 2022 ("FY-22"), subject to final deliveries to be shipped before year-end and completion of the audit.

Group revenue for FY-22 is expected to be approximately £6.5 million (2021: £9.2 million). This follows, as previously advised, a soft first half of the year with results affected by short term logistics and resource issues, temporary destocking issues, and a change to our glove strategy. Whilst the second half of the year has been stronger, the Middle East destocking issue has still not been resolved mainly due to delays in receiving the requisite government certifications for our partner's new factory in the UAE, which finally became fully operational in December. It is anticipated that this will be fully resolved during Q1 2023.

Pleasingly, strong momentum in d2p sales continues with revenue in FY-22 expected to be approximately £0.8 million, representing at least 80% year-on-year growth (2021: £0.4 million). The increase in FY-22 d2p sales has mainly been due to continued conversion of higher value d2p anti insect ("AI") product.

This lower FY-22 revenue figure is expected to result in a Group loss after tax of approximately £2.5 million in FY-22 (2021: £1.4 million).

However, and continuing that reported in the Group's interim results (announced on 29 September 2022), these financial results for FY-22 do not reflect the operational progress made during the year, and the outlook for the Group remains as positive as previously described, albeit with further significant steps towards commercialisation having been achieved. Based upon the Group's trading performance in December 2022 and that trending for Q1-23, the Board expect Symphony to move back into profitability during this period. This confidence is underpinned by:

- Symphony India commenced commercial supply of d2p bread technology and is also on track to reach £250k of d2w revenues monthly by the end of Q1-23. This increase is being driven by the Plastic Waste Management Rules 2022 (as amended on 6 July 2022) which permits government-approved biodegradable plastic products to be exempted from restrictions that would ban most plastic film products unless they are more than 50-microns thick, and 120 microns for carrier bags. Symphony's d2w technology has been tested by Intertek India, an Indian government approved laboratory, and whilst Symphony India continues to wait for official approval that plastic producers using d2w technology will become certified suppliers, customers have recently commenced placing orders, and in increasing volumes.
- New Middle East factory became fully operational in December. Locally produced products are cheaper and also preferred by the market and our customers in the region. Accordingly, we expect to deliver substantially increased volumes into the region in H1-23 and beyond
- Improved gross margins achieved during Q4-22 due to a sustained reduction in raw material prices

Additionally, and as advised within the Group's interim results, the Board remains confident it will achieve a £14m annualised run-rate revenues during H1-23 where, after many years of R&D and product development,

commercialisation of several near-term active pipeline opportunities (excluding India) is expected in the very near term. The current segmental analysis of expected revenue growth is as follows:

Initiative (excluding sundry items)	FY-21 revenue	FY-22 revenue	Near term annualised expected revenue
d2w biodegradable (excluding India)	£7.2m	£5.2m	£9.0m
d2p AM bread technology	-	£0.1m	£2.5m
d2p AI technology	£0.1m	£0.5m	£1.0m
d2p general pipeline	£0.2m	£0.2m	£1.0m
d2p gloves	£1.0m	£0.0m	£0.5m

Our medium to long term sales pipeline remains substantially higher than our near-term annualised sales pipeline of £14 million.

The Board is acutely aware that these multi-year projects do not fit neatly into reporting periods. Whilst the returns on these projects will be highly profitable, the Company's financial performance in any given reporting period is affected by the timing of these projects, particularly so in respect of FY-22.

The near-term commercialisation of our projects and resultant sales are significant, with profitability anticipated within Q1-23 we are increasingly confident in delivering positive updates in this regard during 2023.

#### Enquiries:

##### **Symphony Environmental Technologies Plc**

Michael Laurier, CEO

Ian Bristow, CFO

[www.symphonyenvironmental.com](http://www.symphonyenvironmental.com)

**Tel: +44 (0) 20 8207 5900**

##### **Zeus (Nominated Adviser and Joint Broker)**

David Foreman / Nick Cowles / Kieran Russell (Investment Banking)

Dominic King / Victoria Ayton (Corporate Broking)

**Tel: +44 (0) 161 831 1512**

**Tel: +44 (0) 203 829 5000**

##### **Hybridan LLP (Joint Broker)**

Claire Louise Noyce

**Tel: +44 (0) 203 764 2341**

The person responsible for arranging the release of this information is Michael Laurier, CEO of the Company.

#### NOTES TO EDITORS:

##### **About Symphony Environmental Technologies plc**

[www.symphonyenvironmental.com](http://www.symphonyenvironmental.com)

Symphony has developed a range of additives, concentrates and master-batches marketed under its d2p® ("designed to protect") trademark, which can be incorporated in a wide variety of plastic and non-plastic products so as to provide protection against many different types of microbes, and insects and rodents, and against fire. d2p products also include odour, moisture and ethylene adsorbers as well as other types of food-preserving technologies. Symphony has launched d2p anti-microbial household gloves and toothbrushes and is developing a range of other d2p finished products for retail sale. See [www.d2p.net](http://www.d2p.net)

Symphony has also developed and continues to develop and market, a biodegradable plastic technology which helps tackle the problem of litter and 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 a similar way to 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, including Saudi Arabia, Jordan, Bahrain and the UAE oxo-biodegradable plastic is mandatory. See [www.d2w.net](http://www.d2w.net)

The Group has complemented its d2w biodegradable product range with d2c “compostable resins and products” that have been tested to US and EU composting standards.

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 BPA ([www.biodeg.org](http://www.biodeg.org)) 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 Group can be found at [www.symphonyenvironmental.com](http://www.symphonyenvironmental.com) and twitter @SymphonyEnv  
See also Symphony on Instagram. A Symphony App is available for downloading to smartphones.