



1 August 2023

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

("Symphony" or the "Group")

Pre-close Trading Update

Symphony Environmental Technologies Plc (AIM:SYM) global specialists in technologies that make plastic and rubber products "smarter, safer and sustainable", is pleased to announce a trading update for the six months ended 30 June 2023 ("H1-2023").

Highlights

- Group revenue increased to £3.6 million (H1-2022: £3.0 million)
- Gross profit margins increased to over 42% (H1-2022: 36%)
- Distribution costs sharply reduced to circa 3% of revenues (H1-2022: 7%) – H1 2023 approximately £110,000 (H1-2022: £225,000)
- Resultant contribution for H1-2023 after distribution costs increased by approx. 70% compared to H1-2022
- Lower operating cost base
- £1.0 million convertible loan note agreement entered into with Sea Pearl Ventures LLC

H1-2023 trading

As shown above we are pleased to report a positive turnaround in revenues and sharply improved operating margins for the Group compared to 2022. Whilst a loss will be reported for H1-2023, it will be significantly lower than for the same period last year.

Revenue growth was driven primarily by operations in the Middle East and margin growth was driven by reduced raw material costs together with managed efficiencies in the supply chain.

Focus continued in our prime revenue markets of the Middle East, Latin America and Far East for both d2w and d2p product ranges, and in particular d2p antimicrobial for bread packaging, d2p for general antimicrobial applications, and d2p insecticidal.

The continued reduction in distribution costs was due to lower shipping costs (continuing the trend seen in H2-2022) and efficiencies arising from the new Middle East production facility (commissioned by Symphony's partners in the region), which commenced operation at the end of H2-2022.

Outlook

As advised at the AGM on 29 June 2023, the Board expect Symphony will move back into profitability on the back of momentum started during H1-2023 together with the near-term commercialisation of several key projects.

These expectations do not take into account Symphony's joint venture in India, where we continue to wait for approval that plastic producers using d2w technology will become certified suppliers.

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NOTES TO EDITORS:

About Symphony Environmental Technologies plc

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 bacteria, viruses, 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. For an overview see www.d2p.net Symphony has launched d₂p anti-microbial household gloves and toothbrushes and “Symfresh” food-packaging and is developing a range of other d₂p finished-products for retail sale.

Symphony has also developed a biodegradable plastic technology which addresses the problem of persistent microplastics, by turning ordinary plastic at the end of its service-life into a waxy substance which is biodegradable. It is then no longer a plastic and can be bioassimilated in the open environment in a similar way to a leaf without leaving microplastics behind. 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, much of which has been recycled. In some countries, most recently Saudi Arabia, oxo-biodegradable plastic is mandatory for short-life plastic products.

d₂w technology was studied for three years in the Oxomar project, sponsored by the French government, which concluded that plastic made with Symphony's d₂w oxo-biodegradable technology will biodegrade in seawater significantly more efficiently than conventional plastic. See <https://www.biodeg.org/subjects-of-interest/agriculture-and-horticulture/the-marine-environment/>

Following this report, the scientists allowed bacteria commonly found in the open environment access to d₂w oxo-biodegradable plastic containing Carbon 13. They found Carbon 13 in the carbon dioxide exhaled by the bacteria, proving beyond doubt that the plastic had been bioassimilated by the bacteria.

Symphony has complemented its d₂w and d₂p product ranges with d₂c “compostable resins and products” that have been tested to US and EU composting standards and has invested in Eranova – a French company extracting starch for making plastics, out of algae.

Symphony has also developed the d₂Detector®, a portable device which analyses plastics and detects counterfeit products. This is useful for 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 over 70 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) 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 and twitter @SymphonyEnv See also Symphony on Instagram. A Symphony App is available for downloading to smartphones.