Byotrol Plc

("Byotrol" or the "Group")

Interim results and Notice of Investor Presentation

Byotrol Plc (AIM: BYOT), the specialist infection prevention and control company, is pleased to announce its unaudited interim results for the six months ended 30 September 2022.

Highlights

Our financial performance for the half year shows the results of an increasing focus on a smaller number of higher margin market segments, with fewer technologies and skus than during the pandemic. Key financial indicators (still compared to an element of covid-inflated prior H1) are as follows:

- Total Sales of £2.2m (H1 FY22: £3.2m) of which product sales were £2.0m (H1 FY22: £2.4m)
- Gross profit £1.1m (H1 FY22: £1.7m)
- Increase in Gross Margin on product sale to 40.3% (H1 FY22: 37.4%)
- IP sales (new and existing contracts) £0.22m (H1 FY22: £0.75m)
- Adjusted EBITDA* -£0.3m (H1 FY22: £0.2m)
- Cash of £1.2m at period end

Feedback from our partners in existing IP agreements remains positive, with further regulatory approvals now being secured, especially in the US. This is yet to feed through to material royalty and commission income, but those partners continue to invest heavily in their markets so we remain confident in future returns.

David Traynor, Executive Chairman of Byotrol commented:

Byotrol is well positioned to grow in post-pandemic antimicrobial markets, as we continue to focus on regulatory-approved, high performance biocide technologies.

We are now increasing market share from product sales in animal and human health as competitors withdraw for regulatory reasons, and within those markets we are increasing margins through sharper focus of resources, greater simplification of operations and enhanced economies of scale. These returns are set to grow further, boosted by ongoing high margin licensing agreements and alliances.

We look forward to supporting Vivan Pinto in his new position of Byotrol CEO, and we sincerely thank John Langlands for his excellent contribution to our Company.

Investor Presentation

David Traynor, Executive Chairman, Vivan Pinto, CEO, and Chris Sedwell, CFO will provide a live presentation relating to these results via the Investor Meet Company platform on 14th Dec 2022 at 3:00pm GMT.

The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet BYOTROL PLC via:

https://www.investormeetcompany.com/byotrol-plc/register-investor

Investors who already follow BYOTROL PLC on the Investor Meet Company platform will automatically be invited.

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This announcement is released by Byotrol Plc and, prior to publication, the information contained herein was deemed to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014. Such information is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person who arranged for the release of this announcement on behalf of Byotrol Plc was Chris Sedwell, CFO.

* Adjusted EBITDA is defined as Earnings before Interest, Tax, Depreciation and Amortisation and exceptional items, share-based payments, non-trading items such as profit or loss on disposal of assets, plus revenue recognised as interest under IFRS 15

Notes to editors

Byotrol plc (BYOT.L), quoted on AIM, is a specialist infection prevention and control company, operating globally in the Healthcare, Industrial, Food and Consumer sectors, providing low toxicity products with a broad-based and targeted efficacy across all microbial classes; bacteria, viruses (including coronavirus), fungi, moulds, mycobacteria and algae.

Byotrol's products can be used stand-alone or as ingredients within existing products, where they can significantly improve their performance, especially in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Byotrol develops and commercialises technologies that create easier, safer and cleaner lives for everyone.

For more information, go to byotrol.com

Executive Chairman's report and financial review

The headline numbers for this report are ahead in many respects compared to the half year pre-Covid, but behind the half yearly results during the pandemic, including versus the first half of FYE March 2022.

The Company remains very well positioned strategically, with a solid balance sheet and net cash.

The ‘boom’ of Covid led to a period of over-supply in our industry once demand started to normalize. The excess stocks have now largely flowed-through but have generated consolidation as competitors and manufacturers who had over-extended themselves during the pandemic run out of cash. This consolidation is further driven by the increasingly demanding regulatory environment which many players do not have the resources or technical ability to succeed in.

Byotrol has long maintained a competitive technical and regulatory capability on a small cost base with high operational gearing and so is now well placed to benefit from these trends, to grow market share and to benefit from the consolidation. Our market share is now starting to grow and our financials are beginning to show the benefits of some fundamental operating changes made within the Company to maximise returns. These include:

- Sharp increase in focus. We have reduced our technology platforms from seven to four, our operational segments from seven to three (animal health, specialist human health and consumer) and our SKUs by 25% so far.
- Concomitant refocus of resources in sales and marketing, technical support and supply chain.
- A resulting gross margin improvement of 3 percentage points despite the volatile supply chain and inflationary environment. Gross margin on product sales in H1 exceeded 40%, versus 37% in the prior year. Including provision releases year to date, reported gross margin for the period was 43.9%.

These improvements reflect what Byotrol has been positioning for over many years and that we are now seeing playing out in the market across Europe. Our lead market for products is now animal health, built on the brand equity from the acquired business and brands of Medimark Scientific, where we are substantially growing market share and are capitalizing on our first new surface sanitising technology platform launch under the ‘Anigene’ brand (see ‘technology’ section below).

Our strategy therefore remains in place and we will accelerate on the same path. Product sales are expected to increase steadily, especially in Professional, with the increased focus and better economies of scale leading to further improvement in margins. Those returns should also now be boosted through commission and license royalties from IP agreements finally bearing fruit. We now have an impressive portfolio of high-quality platform technologies, which we believe is yet to be fully recognized in the Company’s valuation.

Your team therefore remains very confident in our positioning and in upcoming returns. This confidence was confirmed by management and team contributing over half of the funds for a £1m convertible bond financing completed in July this year, which solidifies our balance sheet, protects growth-oriented spending and protects us against further extraneous market shocks.

Results by segment

Professional

H1 revenues decreased to £1.90m from £2.61m, including £0.22m of royalty and licensing revenue compared to £0.75m in the comparable period. Gross profit on product sales (excluding license revenue) increased to £0.75m from £0.70m, reflecting the underlying improvement and simplification of the business.

Market conditions are largely back to normal in our traditional Professional market sectors, except in facilities management, where price competition is very strong and little recognition is being given to improved technology claims. We did expect this to be the case as the effects of the pandemic wore off and the UK economic outlook worsened and we have been consequently focussing sales and marketing efforts this year on animal health markets and on specialist niches in the higher margin human health markets. In the period under review Professional product revenue was split 52% animal health, 35% human health, 13% FM and other, versus 52%, 21% and 27% respectively in the previous half year.

The EU regulatory system is moving now in the direction that we have long been positioning for, and sales into customers with continental EU HQs have increased as a result. The UK's now-independent system is also becoming clearer.

Consumer

H1 revenues decreased to £0.34m from £0.56m and gross profit to £0.14m from £0.20m, with gross margin increasing to 41% from 36%, a result (as in Professional) of focussing on higher margin product areas.

We have hired new leadership into our consumer division, tasked with selling our core technologies into retail and wholesalers under our brand and third-party brands. The opportunity here remains substantial, but given the high spend required to grow quickly, we are being very selective in the business that we pursue.

We therefore expect Consumer to remain niche for us in product sales in the short term, but with improving profitability, and we will exit channels where the spend and opportunity cost is not matched by the profit potential. This has led for instance to a gradual withdrawal from a well-known UK pet retailer, where we concluded that we would not be able to achieve a satisfactory return for the resources and risk required.

Technology Portfolio

The team has recognised for many years a need to focus technical effort and regulatory spend on a smaller number of platforms as the basis for our own product sales, especially as the regulatory deadlines approach. We are now taking the necessary decisions and have fixed on 3 core platforms that we will support through the final regulatory approvals in the EU:

- HLD4 and its upgrade ("Cruise") for animal and human health - a high performance surface disinfectant, with broad spectrum anti-microbial activity and excellent value to customers on a per-use basis.
- A new, natural and sustainable technology with excellent anti-microbial performance, especially against viruses, and we believe applicable in skin care and all surface care environments including humans, animals and specialist food environments. This is a new platform that we have been developing for 3 years and that is showing real promise in all targeted markets.

- Invirtu hand sanitisers – alcohol free skin sanitization with an upgraded and more robust formulation, but with the same germ kill and dermatological benefits.

We continue to invest judiciously in other technical areas where we see potential from IP agreements and alliances, notably:

- Seaweed antivirals – which is more appropriate for pharma, OTC and consumer applications than core Byotrol biocide markets, but that we still see as a valuable asset
- Technologies that support long-lasting anti-microbial claims (notably Byotrol24 and Actizone)
- Quaternary-free sanitisers for food markets

The IP commercialization effort for these technologies now has a dedicated sales team.

Intellectual Property Sales and Licensing

As reported in our year-end report in September (FYE March 2022), our licensing business has been held back by poor market conditions and by increasing customer focus on price and value in mass markets. This has meant some of our licensees are currently paying us minimum guaranteed royalties only. However, given the underlying regulatory position, we continue to see this as a core activity of Byotrol, offering 100% gross margin and broader distribution than we could achieve on our own.

The two most active IP-based projects are:

- Solvay has now launched Actizone globally, the long-lasting antimicrobial surface sanitiser that Byotrol co-developed and that will pay Byotrol an ongoing commission on all Solvay sales. In October 2022 Solvay finally achieved US EPA and individual state approvals for Actizone, meaning that it is now the only globally available product of its type, applicable across consumer and professional markets worldwide. We await with interest new product launches (US and globally) and our first sizeable commission payments. We remain very limited by NDAs in what we can report on Solvay activity, as is Solvay with its own customers, but from publicly available sources we understand there are upcoming launches by household names in both consumer and business markets in the US, Europe and Asia.
- IRI and the Company are facilitating a new EPA registration of the Byotrol 24 formulation in the US under a globally recognized business hygiene brand. We expect this to go into a test market in mid-2023, with a full launch in the US to follow should market testing prove successful.

Balance sheet

Our balance sheet was considerably strengthened in July by issuing £1m in convertible notes, to existing shareholders and to the Byotrol team. This was put in place as an insurance policy against further market shocks and to permit continued investment in sales, marketing and technology.

As with prior periods, we continue to invest in our IP and associated regulatory costs with £202k of additions into Intangible Assets in the first half of FY23 (see Note 7). Similarly, to support our growth strategy as outlined above, including our Anigene formulation re-launch, we have invested tactically in our inventory during the period resulting in a closing stock balance of £627k.

The above movements, combined with ongoing investment in strengthening the Byotrol team, resulted in a cash balance at period end of £1.2m.

Management Changes

On 22 November 2022 October we announced that John Langlands will be retiring from business life – and hence from the Byotrol board - on January 31, 2023 and that he would step-down with immediate effect from Non Executive Chairman of Byotrol plc. John has completed six years of service at the Company, one more year than he originally intended. He retires with the sincere thanks of the Directors.

We also announced the immediate promotion of our Chief Growth Officer (since January 2022) Vivan Pinto to CEO. Vivan brings many years of general management experience from multinationals such as J&J and Reckitt and has already been making a big impact upon the quality of the Company's operations.

Outlook

The new management team has concentrated much of its efforts in this half year to improving the team, systems and processes – particularly in supply chain - and making the necessary decisions to rationalize the portfolio with focus on higher margin segments. We have made a lot of progress in this and are encouraged by the fact that gross margins are now on an upward trajectory.

Market demand is now solid in all areas except facilities management, which now accounts for only 13% of the Professional product portfolio. We will refocus in this area on niche segments with high margins and high barriers to entry as per our overall strategy. The favourable long-term demand trends in antimicrobial markets remain firmly in place.

We are now consistently winning product business in our main areas of focus in animal and human health. The re-launch of our animal healthcare formulation Anigene at the London Vet Show in November 2022 was very encouraging and is already leading to an upturn in orders.

We have had to learn to be patient on IP sales as we only make money when our licensees do. But the cash from minimum guarantees continues to boost our resources and the degree of investment by those licensees with regulators – especially in the US – remains very high.

Byotrol remains well-resourced to deliver further commercial progress; the long-term outlook for your company remains excellent.

David Traynor
Executive Chairman

Group statement of comprehensive income

	Note	6 months to 30 September 2022 £'000 *(unaudited)*	6 months to 30 September 2021 £'000 *(unaudited)*	Year to 31 March 2022 £'000 *(audited)*
Revenue	2	**2,232**	**3,173**	**6,327**
Cost of sales pre-exceptional item		(1,129)	(1,517)	(3,287)
Gross profit pre-exceptional item		**1,103**	**1,656**	**3,040**
Cost of sales – exceptional item		-	-	(214)
Gross profit		**1,103**	**1,656**	**2,826**
Adjusted administrative expenses		(1,586)	(1,633)	(3,315)
Adjusted operating (loss)/profit		**(483)**	**23**	**(489)**
Exceptional items		-	-	(372)
Amortisation of acquisition-related intangibles		(169)	(121)	(317)
Share-based payments		-	(64)	(95)
Operating loss		**(652)**	**(162)**	**(1,273)**
Finance income	4	50	26	48
Finance expense	5	(21)	(5)	(20)
Loss before taxation		**(623)**	**(141)**	**(1,245)**
Income tax credit/(expense)		44	23	(102)
Loss for the period		**(579)**	**(118)**	**(1,347)**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences		156	11	59
Other comprehensive income/(expense), net of tax		**156**	**11**	**59**
Total comprehensive loss for the period		**(423)**	**(107)**	**(1,288)**
Earnings per share – from profit for the period				
Attributable to the owners of Byotrol plc (basic)	6	(0.13)p	(0.03)p	(0.30)p
Attributable to the owners of Byotrol plc (diluted)	6	(0.13)p	(0.03)p	(0.29)p

Group statement of financial position

	Note	As at 30 September 2022 £'000 *(unaudited)*	As at 30 September 2021 £'000 *(unaudited)*	As at 31 March 2022 £'000 *(audited)*
Assets				
Non-current assets				
Intangible assets	7	3,433	3,617	3,506
Tangible assets		76	80	73
Right-of-use assets	8	17	41	25
Deferred tax assets		134	315	134
Trade receivables		1,804	1,292	1,561
		5,464	**5,345**	**5,299**
Current assets				
Inventories		627	733	399
Trade and other receivables		1,649	1,772	1,941
Cash and cash equivalents		1,158	1,902	1,132
		3,434	**4,407**	**3,472**
Total assets		**8,898**	**9,752**	**8,771**
Liabilities				
Non-current liabilities				
Lease liabilities	9	8	16	12
Deferred tax liabilities		360	325	383
Convertible loan stock		962	-	-
		1,330	**341**	**395**
Current liabilities				
Trade and other payables		827	1,027	1,246
Lease liabilities	9	8	26	12
		835	**1,053**	**1,258**
Total liabilities		**2,165**	**1,394**	**1,653**
NET ASSETS		**6,733**	**8,358**	**7,118**
Issued share capital and reserves				
Share capital		1,135	1,133	1,135
Share premium		457	434	457
Other reserves		981	739	787
Retained earnings		4,160	6,052	4,739
TOTAL EQUITY		**6,733**	**8,358**	**7,118**

Group statement of cash flows

	6 months to 30 September 2022 £'000 *(unaudited)*	6 months to 30 September 2021 £'000 *(unaudited)*	Year to 31 March 2022 £'000 *(audited)*
Cash flows from operating activities			
Loss for the period	**(579)**	**(118)**	**(1,347)**
Adjustments for:			
Finance income	(50)	(26)	(48)
Finance costs	21	5	20
Depreciation of tangible non-current assets	26	16	31
Amortisation of intangible non-current assets	275	190	517
Loss on disposal of assets	1	17	17
Income tax recognised in profit or loss	(44)	(23)	102
Share-based payments	-	64	95
Operating cash flows before movements in working capital	**(350)**	**125**	**(613)**
(Increase)/decrease in trade and other receivables	49	(185)	(555)
(Increase)/decrease in inventories	(227)	366	699
Increase/(decrease) in trade and other payables	(377)	29	186
Cash (used in)/generated from operating activities	**(905)**	**335**	**(283)**
Income tax refund received	21	-	-
Net cash (used in)/generated from operating activities	**(884)**	**335**	**(283)**
Cash flows from investing activities			
Development of intangible assets	(202)	(272)	(488)
Acquisition of property, plant and equipment	(20)	(12)	(20)
Net cash used in investing activities	**(222)**	**(284)**	**(508)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs	-	261	286
Proceeds from issue of convertible loan stock	1,000	-	-
Repayments of principal on lease liabilities	(4)	(14)	(7)
Finance Income	1	-	-
Finance costs	(21)	(4)	(12)
Interest expense on lease liabilities	-	(1)	(1)
Net cash (used in)/ generated by financing activities	**976**	**242**	**266**
Net (decrease)/increase in cash and cash equivalents	**(130)**	**293**	**(525)**
Net foreign exchange differences	156	11	59
Cash and equivalent at beginning of period	1,132	1,598	1,598
Cash and cash equivalents at end of period	**1,158**	**1,902**	**1,132**

Group statement of changes in equity

	Share capital	Share premium	Exchange reserve	Other reserve	Retained profits	**Total**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance at 31 March 2021	**1,116**	**190**	**728**	**-**	**6,106**	**8,140**
Loss after taxation for the period	-	-	-	-	(118)	(118)
Share-based payments	-	-	-	-	64	64
Other comprehensive income:						
Exchange differences	-	-	11	-	-	11
Transactions with owners:						
Shares issued for cash	17	244	-	-	-	261
Balance at 30 September 2021	**1,133**	**434**	**739**	**-**	**6,052**	**8,358**
Loss after taxation for the period	-	-	-	-	(1,229)	(1,229)
Other comprehensive income:						
Exchange differences	-	-	48	-	-	48
Transactions with owners:						
Share-based payments	-	-	-	-	31	31
Deferred tax on share-based payment transactions	-	-	-	-	(115)	(115)
Transactions with owners – capital reduction:						
Costs of Capital Reduction	2	23	-	-	-	25
Balance at 31 March 2022	**1,135**	**457**	**787**	**-**	**4,739**	**7,118**
Loss after taxation for the period	-	-	-	-	(579)	(579)
Other comprehensive income:						
Exchange differences	-	-	156	-	-	156
Transactions with owners:						
Convertible Loan Stock Issue	-	-	-	38	-	38
Balance at 30 September 2022	**1,135**	**457**	**943**	**38**	**4,160**	**6,733**

Notes to the Group financial statements

1 Basis of preparation

The Group has prepared its interim financial statements for the 6 months ended 30 September 2022 (the “interim results”) in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as adopted by the European Union and also in accordance with the recognition and measurement principles of IFRS issued by the International Accounting Standards Board, but do not include all the disclosures that would otherwise be required. They have been prepared under the historical cost convention as modified to include the revaluation of certain non-current assets. The accounting policies adopted in the interim financial statements are consistent with those adopted in the Group's Annual Report and Financial Statements for the year ended 31 March 2022 and those which will be adopted in the preparation of the Annual Report for the year ending 31 March 2023.

As permitted, the interim results have been prepared in accordance with the AIM Rules of the London Stock Exchange and not in accordance with *IAS34 Interim Financial Reporting*. They do not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited.

Going concern

The Directors have considered trading and cash flow forecasts prepared for the Group and based on these are satisfied that the Group will continue to be able to meet its liabilities as they fall due for at least one year from the date of these results. On this basis, they consider it appropriate to have adopted the going concern basis in the preparation of the interim results, which were approved by the Board of Directors on 9 December 2022.

Comparative financial information

The comparative financial information presented herein for the year ended 31 March 2022 does not constitute full statutory accounts for that period. The statutory accounts for the year ended 31 March 2022 carried an unqualified Auditor’s Report, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2 Segmental analysis

Revenue and gross profit by segment

6 months ended 30 September 2022	**Continuing operations**		**Total**
	Professional	**Consumer**	
	£'000	**£'000**	**£'000**
Revenue			
Product sales	1,678	336	**2,014**
Royalty and licensing income	218	-	**218**
Total revenue	**1,896**	**336**	**2,232**
Gross profit			
Product sales	746	139	**885**
Royalty and licensing income	218	-	**218**
Total gross profit	**964**	**139**	**1,103**

6 months ended 30 September 2021	**Continuing operations**		**Total**
	Professional	**Consumer**	
	£'000	**£'000**	**£'000**
Revenue			
Product sales	1,862	560	**2,422**
Royalty and licensing income	751	-	**751**
Total revenue	**2,613**	**560**	**3,173**
Gross profit			
Product sales	705	200	**905**
Royalty and licensing income	751	**-**	**751**
Total gross profit	**1,456**	**200**	**1,656**

Revenue by geography

The Group recognises revenue in three geographical regions based on the location of customers, as follows:

6 months ended 30 September 2022	**Professional**	**Consumer**	**Total**
	£'000	**£'000**	**£'000**
United Kingdom	1,575	140	**1,715**
North America	43	-	**43**
Rest of World	278	196	**474**
Total revenue	**1,896**	**336**	**2,232**

6 months ended 30 September 2021	Professional	Consumer	Total
	£'000	£'000	£'000
United Kingdom	1,650	366	**2,016**
North America	751	-	**751**
Rest of World	212	194	**406**
Total revenue	**2,613**	**560**	**3,173**

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

License revenue and finance income

License contracts (and certain other contracts relating to the sale of IP) typically provide for fixed payments to be made by customers over a given term (typically between three and five years but which may extend longer). Under IFRS 15, in order to reflect the time value of money, such contracts are recognised as the capitalised value of the income stream plus notional interest accruing for the period on the credit deemed to be extended to the customer (on a reducing balance basis). For the 6 months to 30 September 2022 this figure amounts to license revenue of £0.175m and notional interest income of £49,000.

3 Non-GAAP profit measures and exceptional items

Reconciliation of operating profit to adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation):

	6 months to 30 September 2022 £'000	6 months to 30 September 2021 £'000	Year to 31 March 2022 £'000
Operating profit/(loss)	**(652)**	**(162)**	**(1,273)**
Adjusted for:			
Amortisation and depreciation	301	221	578
EBITDA	**(351)**	**59**	**(695)**
Loss on disposal of assets	1	17	17
Revenue recognised as interest under IFRS 15	49	26	36
Expensed share-based payments	-	64	95
Exceptional items:			
- Inventory Provision	-	-	214
- IP receivables provision	-	-	147
- Restructure costs	-	-	225
Total exceptional items	-	-	586
Adjusted EBITDA	**(301)**	**166**	**39**

The criterion for adjusting items in the calculation of adjusted EBITDA is operating income or expenses that are material and either (i) arise from an irregular and significant event or (ii) are such that the income/cost is recognised in a pattern that is unrelated to the resulting operational performance. Materiality is defined as an amount which, to a user, would influence decision-making based on, and understandability of, the financial statements. Adjustment for share-based payment expense is made because, once the cost has been calculated, the Directors cannot influence the share based payment charge incurred in subsequent years, and the value of the share option to the employee differs considerably in value and timing from the actual cash cost to the Group.

Exceptional items are treated as exceptional by reason of their size or nature and are excluded from the calculation of adjusted EBITDA (and adjusted earnings per ordinary share) to allow a better understanding of comparable year-on-year trading and thereby an assessment of the underlying trends in the Group's financial performance. These measures also provide consistency with the Group's internal management reporting.

Adjusted EPS

The calculation of adjusted EPS is shown in Note 6.

4 Finance income

	6 months to 30 September 2022 £'000	6 months to 30 September 2021 £'000	Year to 31 March 2022 £'000
Interest receivable on interest-bearing deposits	1	-	12
Notional interest accruing on contracts with a significant financing component	49	26	36
Total finance income	**50**	**26**	**48**

5 Finance expense

	6 months to 30 September 2022 £'000	6 months to 30 September 2021 £'000	Year to 31 March 2022 £'000
Interest and finance charges	21	4	19
Interest on lease liabilities under IFRS 16	-	1	1
Total finance expense	**21**	**5**	**20**

6 Earnings per share

The following sets out the earnings and share data used in the basic and diluted earnings per share computations:

Denominator for earnings per share ("EPS") calculations

Year to 31 March	6 months to 30 September 2022	6 months to 30 September 2021	Year to 31 March 2022
Weighted number of ordinary shares in issue	453,890,405	452,659,277	453,066,186
Effect of dilutive potential ordinary shares – Share Options	522,444	3,342,894	4,106,908
	454,412,849	**456,002,170**	**457,173,094**

The Group has two categories of potentially dilutive ordinary share. The first is share options granted to employees where the exercise price (plus the remaining expected charge to profit under IFRS 2 per option) is less than the average price of the Company's ordinary shares during the period. The weighted average number of shares for the calculation of diluted earnings per share is computed using the treasury share method.

The second relates to the Convertible Bond. The Group issued a Convertible Bond for £1m in July 2022 to new and existing investors in the Company, including Board directors. The Loan Notes have a term of five years, are senior in ranking, unsecured and convertible at investors' option into ordinary shares in the capital of the Company ("Ordinary Shares") at a price of 3.25 pence per Ordinary Share, representing a

30% premium to the mid-price of the Company's share price at close of business on 26 July 2022. The Loan Notes carry a coupon of 9% per annum, payable quarterly in arrears. Based on the issue size of £1,000,000, the Loan Notes would, if converted, represent approximately 30,769,230 Ordinary Shares, amounting to 6.8% of the current issued share capital of the Company. However, as the average Byotrol share price since the issue of the Convertible Bond has been below the 3.25p conversion price, these are currently classed as non-dilutive and do not feature in the Denominator calculation above.

Numerator for EPS calculations

6 months to 30 September 2022	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic EPS calculation)	**(579)**
Adjusting items:	
- share-based payments	-
- amortisation of acquisition-related intangibles	168
- deferred tax credit arising from acquisition-related intangibles	(23)
Adjusted earnings attributable to owners of the Parent (numerator for adjusted EPS calculation)	**(434)**

6 months to 30 September 2021	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(118)**
Adjusting items:	
- share-based payments	64
- amortisation of acquisition-related intangibles	121
- deferred tax credit arising from acquisition-related intangibles	(23)
Adjusted earnings attributable to owners of the Parent	**44**

Year to 31 March 2022	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(1,347)**
Adjusting items:	
- share-based payments	95
- exceptional items	586
- amortisation of acquisition-related intangibles	317
- deferred tax credit arising from acquisition-related intangibles	35
Adjusted earnings attributable to owners of the Parent	**(314)**

The criteria for inclusion of adjusting items in the calculation of adjusted EPS are the same as those relating to the calculation of adjusted EBITDA as set out in Note 3. Amortisation of acquisition-related intangibles (and the associated tax credit) relates to the amortisation of intangible assets in respect of customer relationships and brands which are recognised on a business combination and are non-cash in nature.

EPS – reported

	6 months to 30 September 2022 £'000	6 months to 30 September 2021 £'000	Year to 31 March 2022 £'000
Reported earnings per share attributable to shareholders			
- basic	(0.13)p	(0.03)p	(0.30)p
- diluted	(0.13)p	(0.03)p	(0.29)p

EPS – adjusted

	6 months to 30 September 2022 £'000	6 months to 30 September 2021 £'000	Year to 31 March 2022 £'000
Adjusted earnings per share attributable to shareholders			
- basic	(0.10)p	0.01p	(0.07)p
- diluted	(0.10)p	0.01p	(0.07)p

7 Intangible assets

Intangible assets comprise capitalised development costs, acquired software, customer relationships and goodwill.

	Goodwill £'000	Other Intangible Assets £'000	Total £'000
Cost			
At 1 April 2022	502	5,031	**5,533**
Additions	-	202	**202**
(Disposals)	-	-	**-**
At 30 September 2022	**502**	**5,233**	**5,735**
Amortisation			
At 1 April 2022	-	(2,027)	**(2,027)**
Charge for the period	-	(275)	**(275)**
Eliminated on disposal	-	-	**-**
At 30 September 2022	**-**	**(2,302)**	**(2,302)**
Net carrying amount			
At 30 September 2022	**502**	**2,931**	**3,433**
At 1 April 2022	*502*	*3,004*	*3,506*

Other Intangible Assets comprise:

	Customer Relationships £'000	Brands £'000	Development Costs £'000	Patents and licenses £'000	Total £'000
Cost					
At 1 April 2022	1,861	567	1,902	701	**5,031**
Additions	-	-	165	37	**202**
(Disposals)	-	-	-	-	**-**
At 30 September 2022	**1,861**	**567**	**2,067**	**738**	**5,233**
Amortisation					
At 1 April 2022	(671)	(224)	(621)	(511)	**(2,027)**
Charge for the period	(93)	(75)	(91)	(16)	**(275)**
Eliminated on disposal	-	-	-	-	**-**
At 30 September 2022	**(764)**	**(299)**	**(712)**	**(527)**	**(2,302)**
Net carrying amount					
At 30 September 2022	**1,097**	**268**	**1,355**	**211**	**2,931**
At 1 April 2022	*1,190*	*343*	*1,281*	*190*	*3,004*

8 Right-of-use assets

Right-of-use assets comprise leases over office buildings and vehicles.

	Office buildings £'000	Vehicles £'000	Total £'000
Cost			
At 1 April 2022	103	26	**129**
Additions in the period	-	-	**-**
(Disposals) in the period	-	-	**-**
At 30 September 2022	**103**	**26**	**129**
Depreciation			
At 1 April 2022	(99)	(5)	**(104)**
Charge for the period	(4)	(4)	**(8)**
Eliminated on disposal	-	-	-
At 30 September 2022	**(103)**	**(9)**	**(112)**
Net carrying amount			
At 30 September 2022	**-**	**17**	**17**
At 1 April 2022	*4*	*21*	*25*

9 Lease liabilities

Lease liabilities comprise liabilities arising from the committed and expected payments on leases over office buildings and vehicles.

Amounts due in more than one year	**Office buildings**	**Vehicles**	**Total**
	£'000	**£'000**	**£'000**
At 1 April 2022	-	12	12
Transfers from long to short term liabilities	-	(4)	(4)
At 30 September 2022	**-**	**8**	**8**

Amounts due in less than one year	**Office buildings**	**Vehicles**	**Total**
	£'000	**£'000**	**£'000**
At 1 April 2022	4	8	12
Repayments of principal	(4)	(4)	(8)
Transfers from long to short term liabilities	-	4	4
At 30 September 2022	**-**	**8**	**8**

10 Post balance sheet events

There have been no events subsequent to the reporting date which would have a material impact on these interim financial results

[END]