

Byotrol plc

FINAL AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2023

Byotrol plc (AIM: BYOT), (“Byotrol” or “the Company”) the specialist infection prevention and control company is pleased to present its audited results for the year ended 31 March 2023 (“Results”).

We are pleased to report our results in line with expectations in a year of sizeable change. This has been a year of increased focus on reducing complexity and building Byotrol’s product sales operations in our chosen core markets of animal health and human health. This makes us ideally placed to benefit from the multiple growth drivers across our markets.

We report that our efforts are already showing some very substantial progress, with gross margin on products improving from 37% to 43% during the year.

Financial Highlights

- Sales £4.6m (versus £6.3m in 12m to 31 March 2022)
- Gross profit pre-exceptional charges £2.1m (versus £3.0m)
- Gross margin on product sales, pre-exceptional charges 42.6% (versus 37.0%)
- Operating costs from continued business: £3.4m (versus £3.3m)
- Adjusted EBITDA: -£0.7m (versus £0.04m)
- Cash at year end; £0.7m (versus £1.1m)

Operational Highlights

- Further high-quality additions to the team and complete concentration of activities in Chester, including:
 - Recruitment of Ian Brown from Univar as Director of Group Supply Chain
 - A new Professional Sales team with strong track records in animal and human health
 - A new Customer Services team
 - An upgraded Quality team, now putting professional and systemised quality at the core of the company
 - Continued focus on cost control with closure of the Sevenoaks office, previously the HQ of Medimark, with all Medimark functions and systems now absorbed within Byotrol in the Chester central office
- SKUs reduced from 200 to 130, technology platforms for Product Sales from 7 to 4, and consolidation to one logistics provider
- Concentration of marketing and sales resources on animal health and human health, focusing on niches with high technical requirements and superior margins. These two segments now account for 71% of our sales in the year, compared to 61% in the previous year.
- Launch of market-leading new formulations and brand imagery for surface care products in animal health, especially for Anigene branded products. For H2 of the 2023 Financial Year, Anigene, through the new Cruise reformulation, has grown 9% and is accelerating in the new financial year.

IP/Licencing Highlights

With our product sales now being firmly targeted to animal and human health, our IP commercialisation efforts are able to target all other market segments with our technologies and also seek and develop third party technologies that we can cross-sell into animal and human health:

- Solvay's Actizone continues to proceed very encouragingly, with further regulatory approvals and with new formats now ready to go. Due to us (and Solvay) being limited by confidentiality agreements with the brands that are launching, we remain very restricted on what we can report on customer progress. But we understand that global companies are now in the process of launching and market-testing Actizone based products under their own branding, with more to come.
- Integrated Resources Inc ("IRI"), US licensee of Byotrol24, our EPA-registered long lasting surface sanitiser continues to progress to a market launch in US institutional markets under an internationally-recognised brand. Product registration is now almost complete in the individual states, including with new and enhanced efficacy claims against viruses and as a hospital-grade sanitizer. Again, we stand to do well financially should those licensees be successful with their launches.
- Post year end, we gained patent approval in the UK for a seaweed extract for use as a prophylactic against viruses. Without a patent it was proving tricky to engage safely in a sales process without initial and lengthy confidentiality discussions, but with that now achieved we now have more freedom to seek partners.
- We have also now gained a patent in the UK for our alcohol-free hand sanitiser formulation, the basis of our brand Invirtu and the formulation supplied to Boots retail. This further increases the value of this excellent asset.

Investor Presentation

The Company is intending to do an investor roadshow, to include an update on trading for the current financial year, in mid September. This will include an InvestorMeetCompany on-line presentation and Q&A.

Commenting on the results, Trevor Francis, Chairman of Byotrol plc, said:

"I remain optimistic that we can flourish in the substantial and global opportunities in infection control, and I have long been a key supporter of our mix of IP and product sales. I have for some time thought we needed to do better at the product sales side of our business and I believe we now have the team and the systems to do just that. Certainly all the key indicators on our business health in that respect are moving apace in the right direction.

I firmly believe (and can see that) your Company is becoming stronger. Following the acquisition of Medimark, it took some time to align our processes and operating systems, but these are now in good shape and contributing significantly in our strategy. With the changes the new team is now making I am confident that this work will soon be recognised in due course through improved results. Your Board remains very engaged and highly confident in the Company's positioning and in its financial prospects. We look forward to a year of significant revenue growth and returning to profitability"

For further information, visit www.byotrolplc.com, follow on twitter @byotrol, or contact

Byotrol Plc

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Chris Sedwell, Chief Financial Officer

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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

CHAIRMAN'S STATEMENT

Dear Shareholder

This has been a year of sizeable change, with increased focus on reducing complexity and building Byotrol's product sales operations in our chosen core markets of animal health and human health. This also required us to focus hard on our supply chain, quality and marketing operations, all linked to offering a more professional sales process. I am pleased to report that our efforts are already showing some very healthy progress with gross margin on products improved from 37% to 43% during the year.

Revenue for the year was £4.6m, compared to £6.3m in the previous year, comprising £4.3m in product sales (2022: £5.2m) and £0.3m (2022: £1.1m) in IP sales.

We remain confident in our strategy and have continued to invest over the year in people, technology and marketing, as efficiently as possible. Headline operating costs were broadly flat YoY at £3.4m, but staff costs down by over 9% YoY to £2m and technology costs net of capitalised spend were more than covered by R&D tax credits.

This resulted in an Adjusted Loss Before Tax, Depreciation and Amortisation of £0.7m compared to a profit (Adjusted EBITDA) of £40k in 2022, in line with market expectations..

IP commercialisation remains a key part of our business activities and we continue to support current relationships as well as search for new licensees and alliance partners. We have been reasonably successful in the last year, but we now continue to demand more of ourselves, albeit in tough macro-economic times.

Financing

Our financing strategy for many years had been to raise equity capital to finance growth as company valuation increased. This strategy has been a challenge in the last few years, having been impacted by (a) a steady decrease in institutional interest in listed companies of our size, except amongst EIS and VCT funds who rarely buy shares in the secondary market; and (b) our segment falling out of favour as the financial hype around Covid dissipated.

We have therefore now turned for the time being to non market and internal sources of cash where needed, including monetising IP assets sooner than historically we would have planned. As announced in July 2022, we raised £1m by way of convertible loan notes, to underpin continued investment in the business. At year end we reported net debt of £313k and we expect to return to profit in the current financial year.

Board and employees

In the last year, we have been through a period of managed change at Board level, initiated by John Langland's retirement and secondly to improve the operational activities of the Company. The key changes were:

- John Langlands retiring in January this year, following a very influential six years with us, especially in guiding the Company through the exceptionally volatile market conditions in the pandemic period. We are very grateful to John for his calm leadership and considerable experience in helping the Company develop into what is unarguably a much better company.

- John was replaced for a short period by David Traynor stepping up from CEO to Executive Chairman in November 2022 to manage the transition to the new team. The Board was conscious of the need for the long-term Chair to be independent and non-executive so it was with some pride that I agreed in April this year to become Byotrol's Independent Non Executive Chairman.
- Vivan Pinto promoted in November to Chief Executive Officer, with a particular brief to increase product sales and margins, something he had already been doing very well for us since joining as Chief Growth Officer in January 2022
- David Traynor returned as Executive Director, with a brief to develop further commercialisation of our intellectual property portfolio.
- We welcomed Ian Brown from Univar, and ex BP Lubricants, as Director of Supply Chain and Dr Chris Plummer was promoted to Head of Technology with a brief to further grow our excellent technical capability.
- Jane Kiely was promoted to Head of Marketing in November following Vivan's elevation to the CEO role.

AGM

The Company's AGM is expected to be held on or around Wednesday 13th September in London. We value the participation of smaller and retail shareholders in these meetings and we continue to encourage your attendance – please do join us if you can.

Prospects

I was very pleased to be asked by the Board to take over as Chairman of Byotrol. I had already spent over eight years with the Company as CTO and had overseen the early development of our excellent technologies, and then latterly as a Non Executive Director since the end of 2021.

I am confident that we can flourish in the substantial and global opportunities in biocides, and I have long been a key supporter of our mix of IP and product sales. I have for some time thought we needed to do better at the product sales side of our business and I believe we now have the team and the systems to do just that. Certainly all the key indicators on our business health in that respect are moving apace in the right direction.

I firmly believe (and can see that) your Company is becoming stronger. Following the acquisition of Medimark, it took some time to align our processes and operating systems, but these are now in good shape and contributing significantly in our strategy. With the changes the new team is now making I am confident that this work will soon be recognised in due course in an improved valuation. Your Board remains very engaged and highly confident in the Company's positioning and in its financial prospects. We look forward to a year of significant progress and a return to profitability.

Trevor Francis

Non-Executive Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholder

This is my first shareholder report, having taken over as CEO in November 2022. I am convinced that the overall strategy being pursued by the Company is the right one, namely satisfying increasingly complex needs for infection control products by developing and commercialising a variety of high performance biocidal technologies, grounded in excellent science, supported by strong data and structured to receive regulatory approval in the relevant markets.

Our markets remain very large and continue to grow globally and we are now seeing competitors withdrawing from certain markets as regulation bites harder. We are also seeing the serious market disruption that Covid caused settling down with the last vestiges of covid-related over-supply disappearing, although now replaced by pricing pressures on both input and output driven by the energy-driven recessionary environment.

It has been clear to me for some time that the company needed to increase focus on product sales in fewer segments and SKUs, and to attend to operating systems, processes and efficiencies as we drive scale within our chosen markets. This has led to changes in the team, to a strategic shift of resources to animal and human health and to substantial reduction in product formats and technologies.

Our results for the year under review show some of the impact of those changes and include some one-off exceptional charges to our inventory of £258k.

Despite those changes, our reported results still came in line with expectations and investor guidance and the underlying trends in the core areas of focus are all very encouraging. This is shown in particular by an increase in gross margin on product sales of +6% pts, from 37% to 43%.

Financial highlights of the year are;

- Sales £4.6m (versus £6.3m in 12m to 31 March 2022)
- Gross profit pre-exceptional charges £2.1m (versus £3.0m)
- Gross margin on product sales, pre-exceptional charges 42.6% (versus 37.0%)
- Operating costs from continued business: £3.4m (versus £3.3m)
- Adjusted EBITDA: -£0.7m (versus £0.04m)
- Cash at year end; £0.7m (versus £1.1m)

Operational highlights:

- Further high-quality additions to the team and complete concentration of activities in Chester, including:
 - Recruitment of Ian Brown from Univar as Director of Group Supply Chain
 - A new Professional Sales team with strong track records in animal and human health
 - A new Customer Services team
 - A new Quality team, now putting professional and systemised quality at the core of the company
 - Formal closure of the Sevenoaks office, previously the HQ of Medimark, with all Medimark functions and systems now absorbed within Byotrol in the Chester central office
- SKUs reduced from 200 to 130, technology platforms for Product Sales from 7 to 4.

Markets

Professional

We report full year revenues in Professional of £4.0m, compared to £5.1m in the previous year. Gross profit amounted to £1.8m, compared to £2.6m respectively. Product sales gross margin of 42.5% versus 37.1% in the prior year reflects well-executed price rises and operational improvements

Key initiatives in Professional in this year were:

- Concentration of marketing and sales resources on animal health and human health, focusing on niches with high technical requirements and superior margins. These two segments now account for 71% of our sales in the year, compared to 61% in the previous year.
- Launch of market-leading new formulations and brand imagery for surface care products in animal health, especially for Anigene branded products. For H2 of the 2023 Financial Year, Anigene, through the new Cruise reformulation, has grown 9% and is accelerating in the new financial year.
- Launch of our first training modules for healthcare professionals, to educate our customers on the benefits of the new technologies we are launching.
- Transitioning out of medical devices, where our technologies were increasingly out of step with Regulations, and out of products containing PHMB, which is being regulated out of UK and EU markets.
- In Europe, we have successfully registered Anigene in France, and are looking to place our first order this financial year. This compliments our successful transition of existing customers in Europe and the rest of the world to the new Anigene formulation.

Within Professional, we reported IP sales (including royalties from licensing) of £0.3m (of which £0.1m was received in cash), compared to £1.1m in the previous year, split £0.2m in actual cash received and the balance recognised in revenue as discounted future guaranteed payments.

Licensing and IP Sales

With our product sales now being firmly targeted to animal and human health, our IP commercialisation efforts are able to target all other market segments with our technologies and also seek and develop third party technologies that we can cross sell into animal and human health:

- Solvay's Actizone continues to proceed very encouragingly, with further regulatory approvals and with new formats now ready to go. Due to us and Solvay being limited by confidentiality agreements with the brands that are launching, we remain very restricted on what we can report on customer progress. But we understand that three global companies are now in the process of launching and market-testing Actizone based products under their own branding, with more to come. We are also pleased to report that we have now received our first commission payment from Solvay SA on its sales, which as previously reported is small in magnitude. We expect this to grow though and assuming that Solvay and its customers are successful with launches, we will also be successful in monetary terms, all at 100% gross margin.
- Integrated Resources Inc ("IRI"), US licensee of Byotrol24, our EPA-registered long lasting surface sanitiser continues to progress to a market launch in US institutional markets under an internationally-recognised brand. Product registration is now almost complete in the individual states, including with new and enhanced efficacy claims against viruses and as a hospital-grade sanitizer. Again, we stand to do very well financially should those licensees be successful with their launches.

- As in the prior year, our other existing licensees across Professional and Consumer (Tristel, SC Johnson, Turtlewax, Byoworks), largely performed to plan at or below minimum guaranteed royalty levels, as a result of their own struggles with the unusual market environment. This means that Byotrol received cash of £0.4m in the year under review from licensees, all of which had been already taken through our profit and loss in previous years, but zero extra revenue.
- Post year end, we gained patent approval in the UK for a seaweed extract for use as a prophylactic against viruses. This had proved a more complex process than we thought due to an issue with a non-commercial, academic patent in one country in Asia. Without a patent it was proving tricky to engage safely in a sales process, but the challenge has now been resolved and we now have more freedom to seek partners.
- We have also now gained a patent in the UK for our alcohol-free hand sanitiser formulation, the basis of our brand Invirtu and the formulation supplied to Boots retail. This further increases the value of this excellent asset.

Consumer

We report full year revenues in Consumer of £0.6m, compared to £1.2m in the previous year. Gross profit amounted to £0.3m, compared to £0.4m, which is a substantial gross margin improvement to 43% from 37%, albeit on lower sales, as we exited low cost manufacturing in China for third party own label brands

In line with reducing complexity and bringing greater focus, and having now reviewed consumer as a segment, we have concluded that our business here sits better as a B2B activity, as our customers are intermediaries to consumers and not the consumers themselves. So we will continue to service existing customers well (and seek new ones for our core technologies, particularly online) but with very limited B2C marketing activities. This strategy is already bearing fruit as we have seen a 5-fold increase in our online Amazon consumer sales through the launch of the new Anigene Cruise formulation on the platform. As we continue to roll out our new formulations in more consumer friendly formats such as ready to use sprays, we will apply these technologies to the consumer sector, split through our divisions of animal and human health.

Research and Development

Our R&D team remains at the core of Byotrol's positioning and we continue to invest heavily in its activities. A number of technical initiatives are making good progress, notably:

- the reformulation of Anigene in both concentrate and RTU, and - soon to come – Chemgene for human health and other non animal markets.
- fine tuning our new naturals-based, sustainable surface and handcare formulations under the generic project name of Artemis. These formulations are showing very high – and in many cases superior - efficacy for uses across all of our targeted market claims and offer excellent growth potential. Natural/sustainable products are favoured by EU and UK regulators with a compressed, lower cost approval process, but those approvals are required in advance of sales, rather than being acquired in parallel.
- further developing seaweed as an anti-viral, particularly as a prophylactic agent. Almost all formulation and supply chain challenges have now been addressed satisfactorily, and the project now moves more to a commercialisation project.

Balance Sheet

Our balance sheet remains healthy, with cash at year end of £0.7m (2022: £1.1m) and stock, post provisions, at £0.5m (2022: £0.4m).

On 28 July 2022, we raised £1m by way of convertible loan notes, the majority from directors and their families and also from a small number of existing significant shareholders. This was to reduce the risk profile of the company during the current difficult financing markets and has allowed for continued, confident investment in the business.

In the year we added a further £0.4m to capitalised development costs to reflect ongoing investment in regulatory, IP and patent assets.

Outlook

Although we oversaw a dip in sales in the year under review, this was the result of a proactive initiative to reduce complexity and increase focus to improve the margins and fundamental health of the Company. Since year end we have seen fundamental improvements in all KPIs in the company, across sales, profits and operations. The sales trends are particularly encouraging year to date in animal healthcare and we are expecting the same in the second half of this year in human health.

We have now completed the rationalisation of our portfolio, and completed the reorganisation of our business model. We are now poised for growth, despite the recessionary economic environment, as we continue to roll out our new technologies across Animal and Human health, where to date we have had a positive reception from our customers. We will also look to access new geographies, particularly in Europe through the technologies which are in line with the new Biocides Product Regulations which are being rolled out over the next 2 years.

I believe that Byotrol is now in better shape than it has ever been, and we are well under way in completing our transition to the new regulatory landscape in which we operate. The team will continue to build on the positive changes we have already made and remain determined to report profitable growth over the next two financial years and beyond.

Vivan Pinto

Chief Executive Officer

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	2023 £'000 <i>(audited)</i>	2022 £'000 <i>(audited)</i>
Revenue	4,592	6,327
Cost of sales pre-exceptional item	(2,475)	(3,287)
Gross profit pre-exceptional item	2,117	3,040
Cost of sales – exceptional item	(258)	(214)
Gross profit	1,859	2,826
Adjusted administrative expenses	(3,383)	(3,315)
Adjusted operating (loss)	(1,524)	(489)
Exceptional items	-	(372)
Amortisation of acquisition-related intangibles	(300)	(317)
Share-based payments	(33)	(95)
Operating (loss)	(1,857)	(1,273)
Finance income	103	48
Finance expense	(71)	(20)
(Loss) before taxation	(1,825)	(1,245)
Income tax credit/(charge)	133	(102)
(Loss) for the year	(1,692)	(1,347)
Other comprehensive income/(expense):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	107	59
Other comprehensive income, net of tax	107	59
Total comprehensive (expense) for the year	(1,585)	(1,288)
Earnings per share – from profit for the year		
Attributable to the owners of Byotrol plc (basic)	(0.26)p	(0.07)p
Attributable to the owners of Byotrol plc (diluted)	(0.26)p	(0.07)p

GROUP STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2023

	2023 £'000 <i>(audited)</i>	2022 £'000 <i>(audited)</i>
Assets		
<i>Non-current assets</i>		
Intangible assets	3,218	3,506
Tangible assets	61	73
Right-of-use assets	13	25
Deferred tax assets	163	134
Trade receivables	1,436	1,561
	<hr/> 4,891	<hr/> 5,299
<i>Current assets</i>		
Inventories	494	399
Trade and other receivables	1,669	1,941
Cash and cash equivalents	687	1,132
	<hr/> 2,850	<hr/> 3,472
TOTAL ASSETS	7,741	8,771
Liabilities		
<i>Non-current liabilities</i>		
Lease liabilities	4	12
Deferred tax liabilities	299	383
Convertible loan notes	962	-
	<hr/> 1,265	<hr/> 395
<i>Current liabilities</i>		
Trade and other payables	863	1,246
Lease liabilities	8	12
	<hr/> 871	<hr/> 1,258
TOTAL LIABILITIES	2,136	1,653
NET ASSETS	5,605	7,118
Issued share capital and reserves		
Share capital	1,135	1,135
Share premium	457	457
Other reserves	932	787
Retained earnings	3,081	4,739
	<hr/> 5,605	<hr/> 7,118
TOTAL EQUITY	5,605	7,118

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	2023 £'000 <i>(audited)</i>	2022 £'000 <i>(audited)</i>
Cash flows from operating activities		
(Loss) for the year	(1,692)	(1,347)
<i>Adjustments for:</i>		
Finance income	(103)	(48)
Finance costs	71	20
Depreciation of tangible non-current assets	34	31
Amortisation and impairment of intangible non-current assets	642	517
Loss on patent abandonment	64	17
Income tax charge recognised in profit or loss	(100)	102
Share-based payments	33	95
	<hr/>	<hr/>
<i>Operating cash flows before movements in working capital from continuing operations</i>	(1,051)	(613)
(Increase)/decrease in trade and other receivables	421	(555)
(Increase)/decrease in inventories	(95)	699
Increase/(decrease) in trade and other payables	(428)	186
	<hr/>	<hr/>
Cash (used in) operating activities	(1,153)	(283)
Income tax refund received	125	-
	<hr/>	<hr/>
<i>Net cash (used in) operating activities</i>	(1,028)	(283)
Cash flows from investing activities		
Development of intangible assets	(419)	(488)
Acquisition of property, plant and equipment	(22)	(20)
	<hr/>	<hr/>
<i>Net cash (used) in investing activities</i>	(441)	(508)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs	-	286
Proceeds from issue of Convertible Loan Notes	1,000	-
Repayments of principal on lease liabilities	(12)	(7)
Finance costs	(70)	(12)
Interest expense on lease liabilities	(1)	(1)
	<hr/>	<hr/>
<i>Net cash generated from financing activities</i>	917	266
<i>Net (decrease) in cash and cash equivalents</i>	(552)	(525)
Foreign exchange differences	107	59
Cash and equivalent at beginning of period	1,132	1,598
	<hr/>	<hr/>
Cash and cash equivalents at end of period	687	1,132

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March
2023

	Share capital	Share premium	Other reserve	Exchange reserve	Retained earnings	Total
	£'000	£'000	£000's	£000's	£'000	£'000
Balance at 1 April 2021	1,116	190	-	728	6,106	8,140
Loss after taxation for the period	-	-			(1,347)	(1,347)
<i>Other comprehensive income:</i>						
Exchange differences	-	-	-	59	-	59
<i>Transactions with owners:</i>						
Share-based payments	-	-	-	-	95	95
Deferred tax on share-based payment transactions	-	-	-	-	(115)	(115)
Shares issued during the year for cash	19	267	-	-	-	286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	1,135	457	-	787	4,739	7,118
Loss after taxation for the period	-	-	-	-	(1,692)	(1,692)
<i>Other comprehensive income:</i>						
Exchange differences	-	-	-	107	-	107
<i>Transactions with owners:</i>						
Share-based payments	-	-	-	-	33	33
Deferred tax on share-based payment transactions	-	-	-	-	1	1
Shares issued during the year for cash	-	-	-	-	-	-
Convertible loan note equity component	-	-	38	-	-	38
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	1,135	457	38	894	3,081	5,605

Reserve

Description and purpose

Share capital

Nominal value of issued shares

Share premium

Amount subscribed for share capital in excess of nominal value less associated costs

Other Reserve

Equity component arising from issue of Convertible Loan Note

Exchange reserve

The difference arising on the translation of foreign operations denominated in currencies other than UK Sterling into the presentational currency of the Group

Merger reserve

Amounts arising on the consolidation of historic acquisitions under merger accounting principles

Retained earnings

All other net gains and losses not recognised elsewhere

1 Revenue and Segmental Analysis

The Chief Executive Officer & Chief Financial Officer monitor the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on gross profit as operating costs, net finance costs and income tax are managed on a centralised basis; therefore, these items are not allocated between operating segments for the purposes of the information presented to the Chief Executive Officer & Chief Financial Officer and are accordingly omitted from the segmental information below.

For the year ended 31 March 2023, there was no one customer that represented more than 10% of the Group's revenue.

An analysis of revenue (and the related gross profit) by product or service and by geography is given below:

Revenue by type

To 31 March 2023

	Professional £'000	Consumer £'000	Total £'000
Product sales	3,672	639	4,311
Royalty and licensing income	281	-	281
Total revenue	3,953	639	4,592

To 31 March 2022

	Professional £'000	Consumer £'000	Total £'000
Product sales	4,034	1,181	5,215
Royalty and licensing income	1,112	-	1,112
Total revenue	5,146	1,181	6,327

Gross profit by type

To 31 March 2023

	Professional £'000	Consumer £'000	Total £'000
Product sales	1,561	275	1,836
Royalty and licensing income	281	-	281
Total gross profit	1,842	275	2,117

To 31 March 2022

	Professional £'000	Consumer £'000	Total £'000
Product sales	1,496	432	1,928
Royalty and licensing income	1,112	-	1,112
Total gross profit – pre-exceptional item	2,608	432	3,040

Revenue by geography

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

	2023 £'000	2022 £'000
United Kingdom	3,442	4,197
Rest of World	970	1,011
North America	180	1,119
Total operations	4,592	6,327

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

Customer concentration

The Group has no customers representing individually over 10% of revenue each (2022: nil).

Licence revenue and finance income

Licence 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 year on the credit deemed to be extended to the customer (on a reducing balance basis). For the financial year 2023 this figure amounts to licence revenue of £0.3m and related notional interest income of £101,000 (2022: £1.11m and £36,000).

2 Reconciliation of Operating Profit to Adjusted EBITDA

Year to 31 March	2023 £'000	2022 £'000
Operating (Loss)	(1,857)	(1,273)
Amortisation and depreciation	689	578
EBITDA	(1,168)	(695)
<i>Adjusted for:</i>		
Loss on patent abandonment	64	17
Revenue recognised as interest under IFRS 15	101	36
Expensed share-based payments	33	95
<i>Exceptional items:</i>		
- Inventory Provision	258	214
- IP receivables provision	-	147
- Restructure costs	-	225
Total exceptional items	258	586
Adjusted EBITDA	(712)	39

3 Annual Report & Accounts

The full Annual Report & Accounts for the year ended 31 March 2023, including Accounting Policies and Notes to the Financial Statements, will be available today on our website www.byotrolplc.com, along with Notice of the AGM, to be held at finnCap's offices in London at 11am on 13th September 2023.