Byotrol Plc

("Byotrol" or the "Company")

Interim results

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 2023. The results are in line with the trading update of mid-November.

Highlights

- Headline product sales of £2.02m, flat versus the comparable period (H1, FYE March 2023), reflecting the impact of discontinued items. No new IP sales, versus £0.22m in the comparable period.
- Substantial increase (17%) in like-for-like product sales after allowing for discontinuations.
- Increasing concentration of activities in our chosen primary market of animal health (65.0% of product sales versus 47.5% in the previous year and 38.5% pre-pandemic FYE2020).
- Underlying gross margin of 44.5% on product sales, versus 42.6% for the year ended 31 March 2023.
- EBITDA loss of £0.45m versus £0.3m in the comparable period.
- Cash in bank of £0.51m, versus £0.68m at 31 March 2023.
- Operational KPIs all improving, including OTIF (On Time In Full delivery) now consistently exceeding 90%.

Projected returns from existing IP agreements remain encouraging, supported by recent or upcoming product launches of long-lasting sanitisers in the US, UK and EU. Commission and royalties are now expected to be material to our finances from FYE March 2024.

Dr Trevor Francis, Non-Executive Chairman of Byotrol commented:

"The Directors are pleased with Byotrol's recent progress, despite the continued difficult economic and market background and the need to make senior management changes. Byotrol's products are all now fit for purpose with regulators in our targeted markets and our product sales efforts are benefiting from the increased focus and operational efficiencies."

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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 that develops and commercialises high performance, broad spectrum, low toxicity biocidal technologies for animal and human healthcare markets. Our products are designed for domestic and international uses, with regulatory approval for each market that we operate in, including under the EU Biocide Products Regulation regime.

Byotrol technologies can be used as stand-alone products or as ingredients within existing products, especially in surface care, personal care and odour control uses.

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

For more information, go to byotrol.com

Chairman's Review

I have been Chairman of Byotrol now for 7 months, having been with the Company originally in 2008 and then in various roles since late 2013, which included seven years as Chief Technology Officer and two as an NED.

In the last year it feels as though we have been through a lengthy period of turbulence, including raw material inflation, energy price hikes, political uncertainty, as well as some internal difficulties. Despite these challenges, we are continuing to make good progress in positioning our Company for the future.

In my time as Chairman, along with my co-directors, I have reviewed our strategy, positioning and management team, and we have reached the following conclusions:

- Our science and regulatory-led strategy is on-point in a valuable, global, growing market and we are building a company of value in both product sales and underlying IP.
- Historically, we have been strong at commercialising IP, but less so at selling our own products. We have learned at first-hand how hard it is to build a product trading business from scratch, but with the recent increase in focus we are now improving radically across all functions including sales (where we still need to do a lot more), customer services and supporting functions, especially supply chain and quality. I urge stakeholders to review the detail of the CEO's report, which I believe shows real development of the Company.
- Our leadership over the last 12 months has faced some challenges, with one specifically enforced on us by some serious (and thankfully in the end temporary) health issues within the senior team. I am glad to say the changes are now behind us and we have a very focused and experienced management team.
- Such issues have been addressed against a highly volatile economic environment and in our experience an almost complete disappearance of AIM as a funding solution for micro caps, except for tax-based investment in new issues. Byotrol has no further capacity for EIS or VCT investment fund raising, having exhausted the tax efficient capacity in earlier years. Over recent years we have needed to finance our development almost completely from internally generated sources, especially via existing IP agreements, which has stifled growth and increased our risk profile.

In spite of these challenges like-for-like product sales over this review period are up by 17%, underlying product gross margin is now above 44% despite a 100% outsourced manufacturing model and our IP agreements are slowly coming to fruition. We now need to solidify and accelerate these positive developments.

The Board regularly reviews whether we can achieve our targets as an independent, listed company and has concluded for the time being that we can. We are now keeping this conclusion under frequent review and will not hesitate to take a different route if it will lead to better returns for shareholders.

Dr Trevor Francis
Non-Executive Chairman

Interim CEO’s report and financial review

Byotrol’s long-term strategy has been to build an IP-based biocide technology company, founded on strong science, regulatory approvals and segmental expertise, generating sustainable profits from its own product sales and from monetizing IP.

Our roots are very much in R&D. Pre-pandemic we used IP activities to generate cashflow, together with support from shareholders by way of occasional equity issuance. During this period we also invested significant resources into building a product trading business with products that would meet the challenging regulatory requirements of the EU Biocides Products Regulations and that would reduce volatility in earnings projections. This led to us buying Medimark Scientific Limited, completed in January 2020, which instantly provided a presence in animal health product sales in the UK and also in some niche human health categories. The plan at the time was to upgrade Medimark products using Byotrol technologies and then to expand into Europe and adjacent product areas.

Covid put those plans on hold for two years, firstly due to the short period of extraordinary demand for all sanitising products in all markets, and then due to the extreme oversupply that followed. Since FYE2022 we have modified the pre-Covid plan as post pandemic a number of our markets had changed, with a continued clear intent of upgrading across all areas of the business but now frustratingly against a backdrop of political and economic turmoil, not least in financing markets.

Byotrol is now taking the shape that we have been working towards for many years and the detail of our results in the period under review show the progression well:

- 17% increase in like-for-like product sales after allowing for regulatory-enforced discontinuations.
- Increasing concentration of activities in our chosen primary market of animal health (65.0% of product sales versus 47.5% in the previous year and 38.5% pre-pandemic FYE2020). Human health remains an area of focus but is yet to fully benefit from the imminent launch of Cruise-based technologies.
- Underlying gross margin of 44.5% on product sales, after stripping out disposal costs for obsolete and discontinued stocks, versus 42.6% for the year ended 31 March 2023
- Operational KPIs all improving, including OTIF (On Time In Full delivery) now consistently exceeding 90%

We recognise that we are reporting headline numbers below initial guidance, which included some over-ambition on new product launches and led to senior management change at the end of the period. However, that should not obscure the fact that the refocusing programme is now in its final stages and that business performance is improving in leaps and bounds.

The upside from continuing on our current path remains substantial as: (a) all of our products have been designed for export into Europe, while our sales are currently 90% UK; (b) we have not yet fully launched our new formulations into human health; and (c) we have temporarily de-prioritised IP commercialization – a historic strength – to focus on solidifying the products business.

Results by segment

Professional

H1 product revenues increased by 8% to £1.81m versus £1.68m in the comparable period (6 months of September 2022). No royalty income was received in H1, compared to £0.22m in the comparable period.

Gross profit on product sales was flat at £0.74m.

As has been long planned since the acquisition of Medimark, but delayed by and to some degree a result of the pandemic, our Professional division has now undergone a reorientation towards animal and (niche) human healthcare, with continued tightening of focus on three core technology platforms, reduced skus, regulatory acceptance across Europe, and operational excellence.

In the period under review Professional product revenue was split 73% animal health, 22%% human health, 5% FM and other, versus 56%, 32% and 12% in the previous full year. We are very encouraged by recent successes in the UK, having secured favoured-supplier status with some of the UK's best known animal welfare charities as well as leading wholesalers and corporate vet groups.

We have now completed the upgrade of all our core formulations in animal health surface care, to chemistries based on our proprietary Cruise formulation and sold under the brands Anigene and Processus. Next summer we will be launching a ready-to-use formulation for smaller customers and will then also be able to look afresh at consumer markets, where we already have some brand equity.

Our human health product offerings are due for upgrade to the Cruise platform, to be sold under Chemgene branding. We have already launched a Cruise-based surface disinfectant product as a range extension to Processus instrument decontamination products, which we are selling into animal and human health markets.

Export sales were behind plan in the period under review and we are now seeking dedicated international sales resource. There is a substantial upside here for the Company and its existing products and technologies, almost all of which have been designed to satisfy UK and EU regulators.

Consumer

H1 revenues decreased to £0.21m from £0.34m and gross profit to £0.11m from £0.14m, with gross margin increasing to 51.4% from 41.4%, a result (as in the Professional segment) of focusing on higher margin product areas.

Consumer remains niche for us in product sales at present, without a dedicated commercial and/or marketing lead except of course for longstanding customers Boots (alcohol free hand sanitisers) and Goodsmile (petcare and human healthcare in Japan).

We are also gradually increasing our presence on Amazon and we now expect to launch consumer versions of our new technologies, especially Cruise, direct to consumers on that platform. Sales on Amazon have grown very rapidly in the last 6 months and are now a top 3 consumer customer, and a top 10 Byotrol customer overall, with new listings to come.

Technology Portfolio

Our portfolio continues to strengthen, having now fixed on three core platforms that we intend to support through the final regulatory approvals in the EU:

- 'Cruise' technology platform is now formulated and in-market in concentrate form and shortly in ready-to-use format. It is a high performance, regulatory compliant (UK and EU) surface disinfectant with low cost-in-use for multiple surfaces and healthcare environments. We would like to think it is leading edge

compared to most competitive products in the market and in various iterations is already replacing a number of legacy formulations.
- Artemis surface disinfection - natural and sustainable technology with excellent anti-microbial performance, especially against viruses, which we are now targeting to surface care environments including humans, animals and specialist food environments. This technology fits with market trends towards sustainability and in the near future we will be working hard to achieve accelerated UK and EU regulatory approval, with faster roll-out at a significantly lower cost than normal routes. (For information: accelerated approval routes require that formal approval is achieved before products can be put into market, a 12-month process).
- Invirtu hand sanitisers – alcohol free skin sanitisation with an upgraded and more robust formulation, but with the same germ kill and dermatological benefits.

Given the Company's current focus on its trading business, we have temporarily but substantially reduced investment in developing new IP. We continue to see substantial value in seaweed-based antivirals and in other natural anti-microbials, but resource constraints mean we remain early in the dedicated sales cycle.

Intellectual Property Sales and Licensing

The two most active IP-based projects remain live and are progressing steadily:

- Actizone - the long-lasting antimicrobial surface sanitiser IP that Byotrol co-developed and then sold to Solvay SA in 2018, with an ongoing sales commission payable to Byotrol on Solvay's sales. This now has multiple global regulatory approvals. To date, commissions to Byotrol have been non-material, but recent projections suggest it will become financially material to Byotrol by FYE 2025, assuming continued customer traction and further product launches in both retail and institutional segments.
- Integrated Resources ("IRI")/Byotrol24 – the EPA registered long-lasting antimicrobial that Byotrol sold to IRI in 2022. This sale was conditional on IRI paying to Byotrol US$1.4m over 4 years to February 2026, plus low single-digit royalties and a material percentage of the additional sales proceeds should IRI onward sell the formulation. Since the agreement, IRI has sub-licensed the formulation to a globally recognised US hygiene brand, which is currently test-marketing and expecting to proceed to a full US launch in Autumn 2024. Royalties received from IRI have however been negligible to date.

As reported in recent trading updates, the team's recent efforts have been focused more on monetizing current IP agreements than generating new transactions, to (a) support the Company's investment in growing a sustainable trading business and (b) reflect current trading at licensee and alliance partners in their core markets. One such agreement has been reached since period end, with Byotrol agreeing to terminate by mutual consent a historic license with Turtle Wax Europe Limited in return for a cash payment. This was a 5 year license agreement signed in January 2021 over Byotrol long-lasting anti-microbial surface technology for in-car use, and sold to EU consumers. Turtle Wax has since de-listed the product due to a change in strategy and agreed with us a settlement sum for future guaranteed minimum royalties.

Balance sheet

Our balance sheet at the end of the first half shows net assets of £4.9m, down £0.7m from £5.6m at the end of FY23. Of this £3.2m is held within our intangible assets, in line with the previous year-end, and represents assets created on the acquisition of Medimark combined with the value of our own internally generated IP.

We have continued to develop our technical and operational capabilities and have invested £0.18m in our IP and associated regulatory costs in the first six months of FY24 (see Note 7). In addition, we invested in our finished goods to support the Chemgene Medlab launch as well as other sales initiatives, with inventory increasing to £632k at the end of September, compared to £0.49m at the end of March 2023. We expect our inventory to fall back again in the second half of the year as these launches and initiatives gain momentum.

Our cash balance at the end of September was £0.51m, down £0.18m from £0.69m at the FY23 year-end, reflecting careful management of our cash balance, despite the investments noted above.

Management Changes

Byotrol has announced a series of Board changes in the period:

- Dr Trevor Francis was appointed Non-Executive Chairman of the Company on 26 April 2023
- Ashley Head, serial entrepreneur and long-standing Byotrol shareholder joined the Board as a Non-Executive Director on 13 September 2023
- Vivan Pinto, CEO since 22 November 2022 left the Company on 26 September 2023 to pursue other interests. David Traynor, Vivan's predecessor and still on the Company board stepped in as Interim CEO, with expectations of handing over to a newly hired CEO by mid-2024.

Outlook

The Directors remain completely focused on Byotrol moving to sustainable profits. We recognize this has taken longer than expected and with a level of operating costs to bring about these improvements that are undoubtedly hurting, but we have done so during an exceptionally long duration of market volatility, and no external equity capital raising since 2018. We are encouraged by the radical improvements in margins, operational KPIs and by the delivery of a product range that is future-proofed against EU and UK regulatory environments.

Our challenge now is to improve sales execution further, especially in export and in niche human health, and to then reallocate more resources back to monetise our outstanding IP portfolio.

David Traynor
Interim CEO

Group statement of comprehensive income

	Note	6 months to 30 September 2023 £'000 *(unaudited)*	6 months to 30 September 2022 £'000 *(unaudited)*	Year to 31 March 2023 £'000 *(audited)*
Revenue	2	**2,022**	**2,232**	**4,592**
Cost of sales pre-exceptional item		(1,173)	(1,129)	(2,475)
Gross profit pre-exceptional item		**849**	**1,103**	**2,117**
Cost of sales – exceptional item		-	-	(258)
Gross profit		**849**	**1,103**	**1,859**
Adjusted administrative expenses		(1,441)	(1,586)	(3,383)
Adjusted operating loss		**(592)**	**(483)**	**(1,524)**
Amortisation of acquisition-related intangibles		(114)	(169)	(300)
Share-based payments		(57)	(-)	(33)
Operating loss		**(763)**	**(652)**	**(1,857)**
Finance income	4	43	50	103
Finance expense	5	(56)	(21)	(71)
Loss before taxation		**(776)**	**(623)**	**(1,825)**
Income tax credit		34	44	133
Loss for the period		**(742)**	**(579)**	**(1,692)**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences		(38)	156	107
Other comprehensive (expense)/income, net of tax		**(38)**	**156**	**107**
Total comprehensive loss for the period		**(780)**	**(423)**	**(1,585)**
Earnings per share – from loss for the period				
Attributable to the owners of Byotrol plc (basic)	6	(0.16)p	(0.13)p	(0.37)p
Attributable to the owners of Byotrol plc (diluted)	6	(0.16)p	(0.13)p	(0.37)p

The accompanying notes 1 to 10 are an integral part of these financial statements.

Group statement of financial position

	Note	As at 30 September 2023 £'000 *(unaudited)*	As at 30 September 2022 £'000 *(unaudited)*	As at 31 March 2023 £'000 *(audited)*
Assets				
Non-current assets				
Intangible assets	7	3,201	3,433	3,218
Tangible assets		50	76	61
Right-of-use assets	8	9	17	13
Deferred tax assets		163	134	163
Trade receivables		1,356	1,804	1,436
		4,779	**5,464**	**4,891**
Current assets				
Inventories		632	627	494
Trade and other receivables		1,215	1,649	1,669
Cash and cash equivalents		508	1,158	687
		2,355	**3,434**	**2,850**
Total assets		**7,134**	**8,898**	**7,741**
Liabilities				
Non-current liabilities				
Lease liabilities	9	-	8	4
Deferred tax liabilities		266	360	299
Convertible loan stock		962	962	962
		1,228	**1,330**	**1,265**
Current liabilities				
Trade and other payables		1,016	827	863
Lease liabilities	9	8	8	8
		1,024	**835**	**871**
Total liabilities		**2,252**	**2,165**	**2,136**
NET ASSETS		**4,882**	**6,733**	**5,605**
Issued share capital and reserves				
Share capital		1,135	1,135	1,135
Share premium		457	457	457
Other reserves		856	981	932
Retained earnings		2,434	4,160	3,081
TOTAL EQUITY		**4,882**	**6,733**	**5,605**

The accompanying notes 1 to 10 are an integral part of these financial statements.

Group statement of cash flows

	6 months to 30 September 2023 £'000 *(unaudited)*	6 months to 30 September 2022 £'000 *(unaudited)*	Year to 31 March 2023 £'000 *(audited)*
Cash flows from operating activities			
Loss for the period	**(742)**	**(579)**	**(1,692)**
Adjustments for:			
Finance income	(43)	(50)	(103)
Finance costs	56	21	71
Depreciation of tangible non-current assets	15	18	34
Amortisation of intangible non-current assets	191	275	642
Loss on disposal of assets	6	1	64
Income tax recognised in profit or loss	(34)	(44)	(100)
Share-based payments	57	-	33
Operating cash flows before movements in working capital	**(494)**	**(358)**	**(1,051)**
(Increase)/decrease in trade and other receivables	392	57	421
(Increase)/decrease in inventories	(140)	(227)	(95)
Increase/(decrease) in trade and other payables	345	(377)	(428)
Cash generated/(used in) from operating activities	**103**	**(905)**	**(1,153)**
Income tax refund received	-	21	125
Net cash generated/(used in) from operating activities	**103**	**(884)**	**(1,028)**
Cash flows from investing activities			
Development of intangible assets	(180)	(202)	(419)
Acquisition of property, plant and equipment	(4)	(20)	(22)
Net cash used in investing activities	**(184)**	**(222)**	**(441)**
Cash flows from financing activities			
Proceeds from issue of convertible loan stock	-	1,000	1,000
Repayments of principal on lease liabilities	(4)	(4)	(12)
Finance costs	(56)	(20)	(70)
Interest expense on lease liabilities	-	-	(1)
Net cash (used in)/ generated by financing activities	**(60)**	**976**	**917**
Net decrease in cash and cash equivalents	**(141)**	**(130)**	**(552)**
Net foreign exchange differences	(38)	156	107
Cash and equivalent at beginning of period	687	1,132	1,132
Cash and cash equivalents at end of period	**508**	**1,158**	**687**

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 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**
Loss after taxation for the period	-	-	-	-	(1,113)	(1,113)
Other comprehensive income:						
Exchange differences	-	-	(49)	-	-	(49)
Transactions with owners:						
Share-based payments	-	-	-	-	33	33
Deferred tax on share-based payment transactions	-	-	-	-	1	1
Balance at 31 March 2023	**1,135**	**457**	**894**	**38**	**3,081**	**5,605**
Loss after taxation for the period	-	-	-	-	(742)	(742)
Other comprehensive income:						
Exchange differences	-	-	(38)	-	-	(38)
Transactions with owners:						
Share-based payments	-	-	-	-	57	57
Balance at 30 September 2023	**1,135**	**457**	**856**	**38**	**2,396**	**4,882**

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

The accompanying notes 1 to 10 are an integral part of these financial statements.

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 2023 (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 2023 and those which will be adopted in the preparation of the Annual Report for the year ending 31 March 2024.

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, assuming a continued marginal increase in product sales and some further reasonable reductions in costs. Based on these, and a continued confidence in being able to accelerate cash from existing IP agreements or potentially a modest fundraise, the Directors are satisfied that the Group will continue to be able to meet its liabilities as they fall due for at least twelve months 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 5 December 2023.

Comparative financial information

The comparative financial information presented herein for the year ended 31 March 2023 constitute full statutory accounts for that period. The statutory accounts for the year ended 31 March 2023 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 2023	Continuing operations		Total
	Professional	Consumer	
	£'000	£'000	£'000
Revenue			
Product sales	1,810	212	**2,022**
Royalty and licensing income	-	-	**-**
Total revenue	**1,810**	**212**	**2,022**
Gross profit			
Product sales	740	109	**849**
Royalty and licensing income	-	-	**-**
Total gross profit	**740**	**109**	**849**

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**

Revenue by geography

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

6 months ended 30 September 2023	Professional	Consumer	Total
	£'000	£'000	£'000
United Kingdom	1,674	88	**1,762**
North America	15	-	**15**
Rest of World	121	124	**245**
Total revenue	**1,810**	**212**	**2,022**

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**

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 2023 this figure amounts to license revenue of £nil and notional interest income of £42,000.

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 2023 £'000	6 months to 30 September 2022 £'000	Year to 31 March 2023 £'000
Operating loss	**(763)**	**(652)**	**(1,857)**
Adjusted for:			
Amortisation and depreciation	210	301	689
EBITDA	**(553)**	**(351)**	**(1,168)**
Loss on disposal of assets	6	1	64
Revenue recognised as interest under IFRS 15	42	49	101
Expensed share-based payments	57	-	33
Exceptional items:			
- Inventory Provision	-	-	258
Total exceptional items	-	-	258
Adjusted EBITDA	**(448)**	**(301)**	**(712)**

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 2023 £'000	6 months to 30 September 2022 £'000	Year to 31 March 2023 £'000
Interest receivable on interest-bearing deposits	1	1	2
Notional interest accruing on contracts with a significant financing component	42	49	101
Total finance income	**43**	**50**	**103**

5 Finance expense

	6 months to 30 September 2023 £'000	6 months to 30 September 2022 £'000	Year to 31 March 2023 £'000
Interest and finance charges	56	21	70
Interest on lease liabilities under IFRS 16	-	-	1
Total finance expense	**56**	**21**	**71**

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

	6 months to 30 September 2023	6 months to 30 September 2022	Year to 31 March 2023
Weighted number of ordinary shares in issue	453,890,405	453,890,405	453,890,405
Effect of dilutive potential ordinary shares – Share Options	2,275,340	522,444	2,059,553
	456,165,745	**454,412,849**	**455,949,958**

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 2023	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic EPS calculation)	**(742)**
Adjusting items:	
- share-based payments	57
- amortisation of acquisition-related intangibles	114
- deferred tax credit arising from acquisition-related intangibles	(33)
Adjusted earnings attributable to owners of the Parent (numerator for adjusted EPS calculation)	**(604)**

6 months to 30 September 2022	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(579)**
Adjusting items:	
- share-based payments	-
- amortisation of acquisition-related intangibles	169
- deferred tax credit arising from acquisition-related intangibles	(24)
Adjusted earnings attributable to owners of the Parent	**(434)**

Year to 31 March 2022	**Total**
	£'000
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(1,692)**
Adjusting items:	
- share-based payments	33
- exceptional items	258
- amortisation of acquisition-related intangibles	300
- deferred tax credit arising from acquisition-related intangibles	(85)
Adjusted earnings attributable to owners of the Parent	**(1,186)**

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 2023 £'000	6 months to 30 September 2022 £'000	Year to 31 March 2023 £'000
Reported earnings per share attributable to shareholders			
- basic	**(0.16)p**	(0.13)p	(0.37)p
- diluted	**(0.16)p**	(0.13)p	(0.37)p

EPS – adjusted

	6 months to 30 September 2023 £'000	6 months to 30 September 2022 £'000	Year to 31 March 2023 £'000
Adjusted earnings per share attributable to shareholders			
- basic	**(0.13)p**	(0.10)p	(0.26)p
- diluted	**(0.13)p**	(0.10)p	(0.26)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 2023	502	5,335	**5,837**
Additions	-	179	**179**
(Disposals)	-	(8)	**(8)**
At 30 September 2023	**502**	**5,506**	**6,008**
Amortisation			
At 1 April 2023	-	(2,619)	**(2,619)**
Charge for the period	-	(190)	**(190)**
Eliminated on disposal	-	2	**2**
At 30 September 2023	-	**(2,807)**	**(2,807)**
Net carrying amount			
At 30 September 2023	**502**	**2,699**	**3,201**
At 1 April 2023	*502*	*2,716*	*3,218*

Other Intangible Assets comprise:

	Customer Relationships £'000	Brands £'000	Development Costs £'000	Patents and licenses £'000	Total £'000
Cost					
At 1 April 2023	1,861	567	2,244	663	**5,335**
Additions	-	-	154	25	**179**
(Disposals)	-	-	-	(8)	**(8)**
At 30 September 2023	**1,861**	**567**	**2,398**	**680**	**5,506**
Amortisation					
At 1 April 2023	(857)	(337)	(933)	(492)	**(2,619)**
Charge for the period	(93)	(21)	(64)	(12)	**(190)**
Eliminated on disposal	-	-	-	2	**2**
At 30 September 2023	**(950)**	**(358)**	**(997)**	**(502)**	**(2,807)**
Net carrying amount					
At 30 September 2023	**911**	**209**	**1,401**	**178**	**2,699**
At 1 April 2023	*1,004*	*230*	*1,311*	*171*	*2,716*

8 Right-of-use assets

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

	Vehicles £'000	Total £'000
Cost		
At 1 April 2023	26	**26**
Additions in the period	-	-
(Disposals) in the period	-	-
At 30 September 2023	**26**	**26**
Depreciation		
At 1 April 2023	(13)	**(13)**
Charge for the period	(4)	**(4)**
Eliminated on disposal	-	-
At 30 September 2023	**(17)**	**(17)**
Net carrying amount		
At 30 September 2023	**9**	**9**
At 1 April 2023	*13*	*13*

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	**Vehicles**	**Total**
	£'000	**£'000**
At 1 April 2023	4	4
Transfers from long to short term liabilities	(4)	(4)
At 30 September 2023	-	-

Amounts due in less than one year	**Vehicles**	**Total**
	£'000	**£'000**
At 1 April 2023	8	8
Repayments of principal	(4)	(4)
Transfers from long to short term liabilities	4	4
At 30 September 2023	**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]