



23 August 2018

Byotrol plc
("Byotrol" or the "Company")

Acquisition of UK infection control company Medimark Scientific Limited

Byotrol plc, the AIM listed anti-microbial hygiene company, is pleased to announce the acquisition of Medimark Scientific Limited ("Medimark") a leading provider of biocide-based infection control products into the animal and human healthcare markets (the "Acquisition").

Medimark is a profitable and growing business which has a broad sales, marketing and distribution expertise. Medimark sells infection control products used on surfaces, instruments and hands for the Animal Health, Human Health, Laboratory, Environment and Retail markets. The company is based in Sevenoaks, Kent, has 14 employees and is ISO9001 quality registered with supporting registration under the Medical Device Directive. In the year ended 31 March 2018, Medimark reported adjusted EBITDA of £380k on revenues of £2.7m.

There is an existing and long-standing relationship already in place between the two companies – Byotrol is currently a white label supplier of hand sanitisers to Medimark, which it sells under its Esense brand.

Consideration of up to £4.5m is payable in respect of the Acquisition, which includes £0.4m of debt that Byotrol is assuming. Initial consideration of £2.3m is payable on completion, being £1.15m in cash and £1.15m from 28,048,780 new ordinary shares ("Ordinary Shares") being issued at 4.1p per share. An additional £1.8m of consideration is payable subject to achieving EBITDA targets in FYE 31 March 2019 and FYE March 2020. The deferred consideration is also to be paid half in cash and half in new Ordinary Shares.

Highlights:

- Immediately provides Byotrol with greater scale than could be achieved through current rates of organic growth. Medimark is profitable and cash generative and fits extremely well with Byotrol's existing products and technology.
- Expected to be materially earnings enhancing in first year from acquisition. The combination of the two businesses will greatly accelerate Byotrol's growth profile whilst significantly reducing the execution risk from purely organic expansion.
- Highly complementary acquisition, offering extensive sales, marketing and distribution expertise in Byotrol's core markets. Specific complementarity with Byotrol's Professional and Petcare businesses with significant synergies expected over time, including:
 - Enhanced distribution of Byotrol technologies to Medimark customers, in the UK and overseas, boosting economies of scale, distribution and market segment expertise
 - Highly experienced, well-connected and resilient sales team and sales support
 - Introduction of stronger disinfectant technologies to Byotrol portfolio including a proprietary sporicidal formulation
- Doubles Byotrol workforce, creating immediate critical mass with cost synergies available from bringing Medimark technical work in house.
- Medimark is on track to deliver EBITDA of £500k for the full year to March 2019, which will trigger the first earn-out payment
- Executive management staying with the combined business for the earnout and beyond, with incentives closely aligned with Byotrol shareholders. Executive management locked-in from share sales for three years from completion.
- Completion expected on admission of the consideration shares which is expected to be 29 August 2018.



Following the Acquisition, it is expected that Byotrol will have cash balances in excess of £2.5m, providing more than sufficient resource to drive growth of the combined businesses.

Commenting on the acquisition, John Langlands, Byotrol Chairman, said:

We are delighted to have concluded the acquisition of Medimark and we welcome its directors, employees, customers and stakeholders to Byotrol.

The fit between the two companies is remarkably strong with Medimark's excellent sales and marketing capabilities dovetailing very well with our technical expertise. We also see more opportunities to take the combined group's infection control products into consumer markets.

Our enlarged operations will now be offering cutting-edge infection control products to more customers in our jointly-targeted markets with improved propositions. We have a strong balance sheet and are confident that the combination of the two companies will bring Byotrol to critical mass with the resources to deliver sustained growth and profitability.

Rick Hayman, the MD and major shareholder of Medimark, added:

Joining forces with Byotrol is a very exciting step forward for the Medimark team, enabling us to take our business to a new level. With their technical expertise and commercial and sales experience skills, we see the two companies as an excellent fit. We very much look forward to pursuing the market opportunities together with the Byotrol team.

For the purposes of Article 7 of EU Regulation 596/2014, this announcement contains inside information.

For further information, please contact:

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Notes to Editors:

Byotrol plc (BYOT.L), quoted on AIM, is a specialist developer of antimicrobial technologies, identifying, developing, formulating and commercialising cutting-edge antimicrobial solutions.

Our patented suite of technologies deliver powerful, broad-spectrum efficacy, optimised against commonly-occurring and industry-specific pathogens.

Founded in 2005, the Company seeks to develop and commercialise advanced antimicrobial technologies that create easier, safer and cleaner lives for everyone.

For more information, please go to www.byotrol.co.uk



Terms of the Acquisition

The consideration for the entire issued share capital of Medimark is up to £4.1m, with debt of £400k being assumed. The consideration is payable as follows:

- At completion, initial consideration of £1.15m in cash from Byotrol's internal resources and £1.15m from 28,048,780 new Byotrol shares issued at 4.1p per share
- Two-year earnout of up to £1.8m subject to achieving EBITDA targets based on significant growth from that achieved in FY2018. The deferred consideration is to be paid half in cash and half in new Ordinary Shares with the shares issued at the 15 day average price ahead of issue.

The initial consideration shares represent 6.5% of the enlarged share capital of Byotrol plc.

Application for Admission:

Application has been made for 28,048,780 Ordinary Shares to be admitted to trading on AIM ("Admission"). Admission is expected to become effective on 29 August 2018. Following Admission, Byotrol will have 430,885,271 Ordinary Shares. All Ordinary Shares shall have equal voting rights and none of the Ordinary Shares are held in treasury. The total number of voting rights in the Company immediately following Admission will therefore be 430,885,271.