The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

Tristel plc
("Tristel", the "Company" or the "Group")

Audited Preliminary Results
for the year ended 30 June 2022

Tristel plc (AIM: TSTL), the manufacturer of infection prevention products for hospitals, announces its audited preliminary results for the year ended 30 June 2022.

The Company has entered the new financial year with the impact of Brexit on NHS stocking levels behind us, the effects of the pandemic on patient procedures receding, a more sharply focused business, and a clear line of sight to the resumption of consistent revenue and profits growth.

The Company's core business is the sale to hospitals of its proprietary chlorine dioxide chemistry used for the decontamination of medical devices under the **Tristel** brand, and for the sporicidal disinfection of environmental surfaces under the **Cache** brand.

Financial Highlights

- Turnover steady at £31.1m (2021: £31.0m) with 3% growth in continuing products to £29.6m (2021: £28.6m)
- Overseas sales continue to grow, up 2% to £20.1m (2021: £19.6m), representing 65% of total sales (2021: 63%)
- Gross margin remained steady at 79% (2021: 80%)
- Adjusted EBITDA* margin of 24% (2021: 27%)
- Adjusted pre-tax profit* of £4.5m (2021: £5.4m)
- Reported pre-tax profit of £1.5m (2021: £3.8m)
- Adjusted EPS* of 8.40p (2021: 11.36p restated**), Reported EPS of 1.96p (2021: 7.86p restated**)
- Dividend per share for the full year up 46% to 9.55p (2021: 6.55p), including special dividend of 3p paid in August 2022
- Net cash of £8.9m (2021: £8.1m), with continued strong operating cashflow of £5.6m (2021: £6.7m)

** before share-based payments and impairment of intangibles*
***See note 8 for restatement*

Operational Highlights

- Discontinuation of non-core, low growth products completed during the year
- De Novo FDA submission for Tristel Duo ULT progressing - additional information requested (as is commonplace) with expected timescale for decision and likelihood of success unchanged
- State-by-state registration of EPA approved DUO substantially complete, and product launched into United States market in September 2022 at three clinical conferences
- Signed distribution agreement with Medical Ophthalmics Inc., Toronto for Duo OPH (approved by Canada Health for high-level disinfection of ophthalmic devices)

Paul Swinney, Chief Executive of Tristel plc, said: *"The disruptions of the past three years are largely behind us, and we are in a strong position to resume consistent revenue and profits growth. Our continued cash generation and strong balance sheet will support this return to growth, and we have set out clear objectives for the business over the next three years.*

"We look forward to meeting these objectives and continuing the progress of the Group. We look to the future with confidence as Tristel continues to grow and expand its geographical reach."

Overview of results by Liz Dixon, CFO

A live hybrid presentation of the financial results and outlook will be delivered by Paul Swinney, CEO, and Liz Dixon, CFO today at 4:30pm at No.1 Cornhill, London, EC3V 3ND. Those not attending in-person can participate via the Investor Meet Company platform and there will be an opportunity for investors to submit questions. Investors can sign up to Investor Meet Company for free and register for the presentation via: https://www.investormeetcompany.com/tristel-plc/register-investor

For further information please contact:

Tristel plc	www.tristelgroup.com
Paul Swinney, Chief Executive Officer	via Walbrook PR
Liz Dixon, Chief Financial Officer	
Walbrook PR Ltd	Tel: +44 (0)20 7933 8780 or tristel@walbrookpr.com
Paul McManus / Lianne Applegarth	Mob: +44 (0)7980 541 893 / +44 (0)7584 391 303
finnCap	Tel: +44 (0)20 7220 0500
Geoff Nash/ Charlie Beeson (Corporate Finance)	
Alice Lane/ Sunila de Silva (ECM)	

Chairman's Statement

Strategy and growth

The past three years have been impacted by Brexit and COVID-19 and the year ended 30 June 2022 was further affected by our response to these external forces, which was to rationalise our product range to focus solely on the hospital market. With Brexit behind us, the effects of COVID-19 receding, and the rationalisation decisively concluded during the year, we have entered the current financial year with a clear line of sight to resumption of consistent revenue and profits growth which we have achieved in the past.

I will speak to each of these events and how we now assess them:

Brexit impacted us by disrupting the normal steady buying patterns of hospitals in the United Kingdom, which is our largest geographical market, representing 35% of global sales in 2022. The UK healthcare system is dominated by the National Health Service which itself concentrates most of its procurement through one agency, the NHS Supply Chain.

On several occasions between 2019 and 2021 the NHS Supply Chain, at the Government's direction, stockpiled hospital consumables to safeguard against potential disruption to supply. The last occasion was in the first half of FY21 when approximately £0.9m of our products were purchased and held in strategic storage locations. This inventory was released to hospitals during the first half of FY22 which meant that our UK sales in FY22 were reduced by the same value. All these reserve inventories were released into the NHS system and used by UK hospitals by 30 June 2022, and we have entered the current financial year with a stable, predictable order pattern from our largest UK customer.

COVID-19 impacted global healthcare in a series of waves each of which reduced, to differing degrees in different countries, the provision of diagnostic examinations to patients. These examinations include ultrasound scans and endoscopies, the procedures where our products are primarily used. The reasons for the reduction in service levels were numerous: diversion of staff and beds to COVID patients; reduced access to hospitals; lower productivity because of the use of PPE and increased cleaning standards; the introduction of strict waiting room management protocols, and staff shortages in large part attributable to COVID sick absence. Staff shortages in hospitals worldwide is a continuing legacy of the pandemic.

During the second half of the year, a marked increase in service levels became apparent in all 14 countries in which we operate directly. Our Group's revenue performance in the second half showed a marked improvement over the first half, and also the second half of the previous year (H1 2022 £15.1m H2 2022 £16m vs H1 2021 £16.7m H2 2021 £14.3m.) We are confident that there is still a significant improvement in demand ahead of us as the global recovery in the provision of diagnostic services is far from complete.

The combination of Brexit and COVID-19 and their impact upon the business caused us to take a hard look at our product range during the final months of FY21. We had two portfolio brands – Crystel and Anistel – which were used in two different markets: clean room and personal care product manufacture (Crystel) and veterinary (Anistel). Both product ranges were UK focused, were largely based upon chemistries other than our proprietary chlorine dioxide, and sales were in decline. We concluded that the beginning of the year was the right time to focus on the hospital market with our product portfolio brands – Tristel and Cache – and ensure we had the rationalisation project completed during FY22.

The rationalisation was committed to at the end of FY21, largely completed by 31 December 2021, and wrapped up in the second half of FY22. The discontinued products generated revenue in FY22 of £1.5m and after all associated overheads, write-off of redundant inventory and internal reorganisation costs, they made a neutral profit contribution to the year. An impairment charge of £2.4m was recorded as all license rights, IP, and intangibles associated with the products were written down in their entirety.

Group Revenue Breakdown

£m	2020-2021	2021-2022	Percentage change
Continuing products	28.6	29.6	+3%
Discontinued products	2.4	1.5	-38%
Group Revenue from all products	**31.0**	**31.1**	**+0%**

In conclusion, we have entered the current financial year with the impact of Brexit behind us, with the impact of the pandemic receding, and a more sharply focused business.

Regulatory, business systems and investing in growth

As we noted last year, the regulatory environment in which we are operating is becoming ever more complicated and demanding.

In Europe, CE marking is required for medical device disinfectants. Post Brexit, the UK introduced UKCA Marking Certification, which came into effect on 1 January 2021, although CE marking will continue to be recognised in the UK until the end of 2022. From the beginning of 2023 only products with UKCA marking will be accepted in Great Britain.

In Europe, surface disinfectants must be approved under the Biocidal Products Regulation (BPR). Post-Brexit, the UK has mirrored the European BPR process with the GBBPR and will at some stage in the future create its own version of it.

The consequence of these developments is that we have to comply with parallel and sometimes competing regulatory frameworks where previously there was only one. Compliance can only be achieved by increasing overhead to attract the best Quality Assurance and Regulatory Affairs people in a highly competitive market for such skills. This is one cause of the upwards pressure on our business costs.

We continue to invest in the most appropriate systems for a business of our size and complexity. The organisation is deeply committed to a digital transformation programme across all facets of our operation. Equally, we invest heavily in our IT and cyber security infrastructure increasing spend to £0.8m in 2022 from £0.5m in the previous year.

Overseas expansion

We continue to expand our global footprint through a combination of establishing our own subsidiaries and the appointment of national distributors. In April 2022 we took over the customer base built up by a distributor who had worked with us in Singapore for many years, and established a subsidiary with our own sales force.

In North America we made our De Novo submission to the FDA for Duo ULT in June 2022. We expect to receive a decision from the agency during the current financial year. With respect to the EPA approval that we received in June 2021, we re-started the state-by-state registration process during FY22 and will launch the product together with our USA partner Parker Laboratories at a series of ultrasound conferences during this Autumn. In Canada, we are launching Duo OPH for ophthalmic devices also in the Autumn of 2022.

Our people

I would like to thank our employees for their commitment throughout the year. There were plenty of difficulties to overcome from many directions, on top of which we tackled the largest product re-organisation we have ever undertaken.

I spoke in last year's Annual Report about our team being match fit for the better times ahead. Whilst these better times were slow to arrive, the team stuck patiently to the task, and delivered a great performance during the year.

Results

Our gross profit margin remained steady at 79% (2021: 80%). Overheads (excluding share-based payments, depreciation, amortisation and impairment) rose by 6% from £16.4m to £17.4m, principally due to the increase in headcount from 189 to

199. The associated increase in wages and salaries of £0.7m (excluding share-based payments) was partially offset by a reduction in travel and the number of medical conferences at which we exhibited.

Adjusted pre-tax profit (before share-based payments of £0.6m and the impairment charge of £2.4m) fell 17% from £5.4m to £4.5m. Unadjusted pre-tax profit (after share-based payment and the impairment charge) fell 60% from £3.8m to £1.5m. The adjusted pre-tax profit margin was 15% (2021: 17%) and the unadjusted margin was 5% (2021:12%).

Earnings per share (EPS) (adjusted for the add-back of the share-based payment charge and impairment of intangible assets) was 8.40 pence. (2021 restated: 11.36 pence). Basic EPS was 1.96 pence (2021 restated: 7.86 pence).

Balance sheet, cash and dividend

The Group has continued to be highly cash generative during the year and the balance sheet is debt-free (with the exception of lease liabilities). The cash balance on 30 June 2022 was £8.9m (2021: £8.1m).

The Company's policy has been to pay out half of adjusted EPS in the form of an ordinary dividend each year. Given the extraordinary circumstances of 2021 and 2022, we have decided to deviate from this policy and pay a dividend linked to the market's expectation for the year's dividend. The Board is recommending that the final dividend is 3.93 pence (2021: 3.93 pence), reducing the dividend cover to 0.88 times from the standard 2 times. This final dividend will be paid to shareholders on the register on 18 November and the associated ex-dividend date is 17 November 2022.

Outlook

We are confident that we are going to resume the steady upward growth trajectory that characterised our financial performance over the fifteen-year period that followed our IPO in 2005 and ended with the pandemic. We can deliver this from our existing global footprint and our focus on the hospital market.

With the USA EPA approval and the Health Canada approval for Duo OPH – both of which we have – and hopefully an FDA approval for Duo ULT during FY23, we will be doing business in North America for the first time in our history. This will represent a step change in the growth possibilities for the Company.

Dr Bruno Holthof
Non Executive Chair

Chief Executive's Report

Overview

The year ended 30 June 2022 was encouraging for the Group. The highlights were:

- The stockpiling by the NHS Supply Chain in the first half of FY21 unwound during the first half of FY22, and the second half of FY22 revealed the true level of demand from UK hospitals for our core products. Second half UK revenue of our core products was £5.7m compared to £3.9m in the first half. NHS stocking and de-stocking due to Brexit was purely a UK phenomenon, but with the UK accounting for 35% of Group sales, it had a material negative impact on the Group in the year.

- The effects of COVID were clearly receding by year-end and have continued to abate in the current financial year.

- The product range rationalisation was successfully executed during the year.

Financial targets

In October 2019 we set a financial plan for the three years to 30 June 2022. The three key financial targets of the plan were:

i) sales growth in the range of 10% to 15% per annum as an annual average over the three years;
ii) the achievement in each year of an EBITDA margin (excluding share-based payment charge) of at least 25%, and
iii) to increase profit before tax (excluding share-based payments) year-on-year, independently of the other two targets.

These financial targets were set before the COVID-19 pandemic and the disruption to NHS purchasing patterns caused by Brexit. Although the past three years have been challenging, the business is now in a much stronger position and the Company is proud of its achievements over the period. For transparency, our performance against the targets set in 2019 has been:

Financial year	**Revenue £m**	**Annual revenue growth**	**Average revenue growth**	**Adjusted EBITDA margin %**	**Increase in profit before tax (excluding SBP charge)**
Ended 30.06.19 (base year)	26.2	-	-	-	-
Ended 30.6.20	31.7	21.0%	21.0%	30.9%	Yes
Ended 30.6.21 – restated**	31.0	-2.2%	9.4%	27.1%	No
Ended 30.6.22	31.1	0.3%	6.4%	24.0%	No

** See note 8 for restatement

We have re-set targets for the coming three years to FY25. They are:

i) sales growth in the range of 10% to 15% per annum as an annual average over the three years;
ii) the achievement in each year of an EBITDA margin (excluding share-based payment charge) of at least 25%.

Our marketplace and technology

Our entire business is focussed on preventing the transmission of microbes from one object or person to another. We pursue this purpose because microbes are the cause of infection in humans. They can cause illness or death and place a heavy cost on individuals and society. We achieve our purpose by developing products based upon a very powerful disinfectant: chlorine dioxide, of which we have a proprietary formulation.

Our mission is most relevant to hospitals where the risk of transmission of infection between individuals is highest. Infection prevention is a basic requirement for the safe and effective provision of healthcare, true for all hospitals in all countries. Over 98% of our revenues are of consumable products performing a vital function that is non-discretionary.

Our strategy focusses upon our proprietary chlorine dioxide chemistry and two principal applications for it: first, the high-level disinfection of medical devices under the Tristel brand (accounting for 85% of continuing product revenues in the year); and second, the disinfection of surfaces in hospitals under the Cache brand (accounting for 10% of continuing product revenues in the year). Within this second activity, we make a distinction between sporicidal efficacy that is achieved with the use of our chlorine dioxide chemistry, and the low-level performance claims that are made by most other disinfectant chemistries. Our objective is to create a clearly identifiable segment within surface disinfection for sporicidal products and to be the global market leader in this segment.

With respect to Tristel, our proposition is unique in two respects: first, we are the only provider of chlorine dioxide-based high-level disinfectants validated and regulated for use with semi-critical medical devices; and second, we are unique in applying the active ingredient in a manual process. Other high-level disinfection processes using the active ingredients peracetic acid and hydrogen peroxide – alternatives to chlorine dioxide – require automated equipment to contain and control the chemistry.

Manual application means Tristel products are ideally suited for hospital departments that carry out diagnostic procedures with small heat-sensitive medical instruments. These include: nasendoscopes used in Ear, Nose and Throat departments; laryngoscope blades used in emergency medicine; cardio echo probes used in the diagnosis of heart disease; tonometers used in ophthalmology, and ultrasound probes used in both women and men's health. In these areas of the hospital, we are the simplest, quickest, and most affordable high-performance disinfection method available. Consequently, in geographical markets in which we have been present for some time, we hold truly significant market share.

The cleaning and disinfection of environmental surfaces in hospitals is ubiquitous and the global expenditure by hospitals on surface disinfection is far greater than the expenditure on decontaminating medical devices. The capability of a disinfectant to kill bacterial spores is the defining hallmark of the best-performing biocides, and chlorine dioxide is one of the elite chemistries that can kill spores.

We expect a legacy of COVID-19 will be that hospitals will be more rigorous in their selection of the best performing and most scientifically validated disinfectant products, which will benefit Cache.

Revenue by segment

We segment our business to reflect our corporate strategy. We have developed distinctly different brands for the two segments: Tristel for medical device disinfection and Cache for sporicidal surface disinfection. Our strategic intention is to develop the Tristel and Cache brands and product portfolios with a significant degree of independence from each other, but both anchored upon our chlorine dioxide technology platform and using the same sales teams in all countries.

The other segment, which we regard as non-core, represents a much-reduced number of products that were not discontinued in our rationalisation programme, and whose remaining product life span is relatively short. During the year, the revenue split across these segments was:

£m	Brand	Revenue 2020-21	% of total	Revenue 2021-22	% of total
Medical device decontamination in hospitals	*Tristel*	24.0	77%	25.4	82%
Environmental surface disinfection in hospitals	*Cache*	4.0	13%	3.2	10%
Other – non-core	Various	0.6	2%	1.0	3%
Continuing products		28.6	92%	29.6	95%
Discontinued products	Various	2.4	8%	1.5	5%
Group		**31.0**	**100%**	**31.1**	**100%**

Revenue by channel

We sell our products directly to end-users in those markets in which we have established a subsidiary, and through distributors in markets where we have no corporate presence. During the year, the revenue split by sales channel was:

	2020-21 Revenue	2021-22 Revenue	Year-on-Year change	Percentage change
Hospital medical device decontamination: Tristel				
EMEA direct	17.2	18.1	0.9	+5%
APAC direct	5.0	5.3	0.3	+6%
Worldwide distributors	1.8	2.0	0.2	+11%
Tristel global	**24.0**	**25.4**	**1.4**	**+6%**
Hospital environmental surface disinfection: Cache				
EMEA direct	2.3	2.5	0.2	9%
APAC direct	0.7	0.5	-0.2	-29%
Worldwide distributors	1.0	0.2	-0.8	-80%
Cache global	**4.0**	**3.2**	**-0.8**	**-20%**
Other revenue: various brands	0.6	1.0	0.4	67%
Continuing products	**28.6**	**29.6**	**1.0**	**3%**
Discontinued products	**2.4**	**1.5**	**-0.9**	**-38%**
Group	**31.0**	**31.1**	**0.1**	**0%**

Revenue by geography

The proportion of our revenue generated in overseas markets continued to increase and reached 65%. The history over the previous five years is shown in the table below.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue split %						
UK	53%	49%	45%	40%	37%	35%
Overseas	47%	51%	55%	60%	63%	65%
Annual revenue growth %						
UK	3%	2%	9%	7%	-10%	-3%
Overseas	43%	19%	26%	32%	3%	2%

We have fourteen subsidiaries selling directly into the hospital marketplace in the United Kingdom, Belgium, the Netherlands, France, Italy, Germany, Switzerland, Poland, Hong Kong, China, Malaysia, Singapore, Australia, and New Zealand. We have subsidiaries in the United States, Japan, India, and Ireland which are not yet active in terms of selling. We closed our Russian subsidiary early in the current financial year.

During the year, in another nineteen countries, we sold products through national distributors.

Our Strategic Assets
We consider the assets that enable the Group to achieve its strategic goals to be:

Our chlorine dioxide chemistry
There are three critically important elements that account for the unique positioning of our chlorine dioxide chemistry:

1. The proprietary formulation,

2. Our focus over two decades on exploring the potential for chlorine dioxide in the decontamination of medical instruments. There is another application for chlorine dioxide chemistry which all other businesses have concentrated upon which is water treatment. From the inception of our business in the 1990's we looked in a different direction – towards medical device disinfection – a direction which others have not followed, and this has given us the pioneer's advantage,

3. The length of time that we have enjoyed this pioneer position has allowed us to collate a significant body of knowledge, including published scientific data, the testimony of almost two decades of safe use, a significant global footprint of regulatory approvals and a library of proven compatibility with hundreds of medical instruments, all of which would take a new entrant significant time and cost to match.

Our regulatory programme succeeded in attaining 21 approvals for 16 products in 5 countries during the year.

Intellectual property protection
On 30 June 2022, we held 137 patents granted in 33 countries providing legal protection for our products.

In its broadest sense, our intellectual property relates to:

1. Patents, trademarks and registered designs,
2. The scientific validation of our chemistry and our products that have entered the public domain, via a number of peer-reviewed and published papers,
3. The certification by medical device manufacturers that our chemistry is compatible with their products. We enjoy official compatibility with the instrumentation of 56 medical device manufacturer, with respect to 1,449 of their individual models.

Our people possess an unrivalled body of knowledge relating both to infection prevention and to chlorine dioxide, and they are a key asset for the future of our business. Their domain knowledge relates to the manufacture of chlorine dioxide-based products and their development. The Company's R&D investment focusses exclusively on our proprietary technology, searching for improvements in microbial efficacy, reductions in hazards, and greater efficiency in manufacture. In parallel, we invest in the creation of packaging and delivery forms that enhance and simplify the delivery of the chemistry and the user experience.

Progress in North America
Health Canada
In FY 21 Tristel Duo OPH was approved by Health Canada as a class 2 medical device and included in Health Canada's Medical Device Listing. Duo OPH is a high-level disinfectant intended for use on ophthalmic instruments including ultrasound devices and re-usable tonometers and lenses that contact the cornea. Early in the current financial year we entered into a distribution agreement with Medical Ophthalmics Inc., Toronto for Duo OPH.

United States Environmental Protection Agency (EPA)
We received our first approval from the EPA for our foam-based disinfectant for surfaces in April 2018. We successfully enhanced the performance claims of the product with a second approval in January 2019 and then registered the product in three States before curtailing the nationwide registration programme until a third submission could be made to bolster further the competitive positioning of the product. This submission was made in October 2020, and we received the third approval in FY21, which expands the product's efficacy claims to include mycobacteria, with all efficacy claims are within a contact time of two minutes. We recommenced the State-by-State registration programme during FY22, and we expect all registrations to be granted by 31 March 2023.

In September 2022 we announced that DUO has been launched in the United States through the Company's distribution partner Parker Laboratories Inc. at three conferences and trade shows.

United States Food and Drug Administration (FDA)
After more than five years of data generation, we lodged our De Novo submission for the high-level disinfectant Duo ULT with the FDA in June 2022. Our best intelligence is that De Novo submissions are typically decided upon by the Agency within twelve months.

Outlook
We have set objectives which are visible to everyone inside the Group, and we make them equally visible to all other stakeholders. The new financial year has started strongly with first quarter sales up 20% on the prior year – a sales run rate of £34m. We look to the future with confidence as Tristel continues to grow and expand its geographical reach.

Paul Swinney

Chief Executive Officer

Tristel Plc

Consolidated Income Statement for the Year Ended 30 June 2022

	Note	2022 £ 000	Restated* 2021 £ 000
Revenue	3	31,123	30,998
Cost of sales		(6,464)	(6,255)
Gross profit		24,659	24,743
Share based payments		(596)	(824)
Depreciation, amortisation and impairments		(2,777)	(2,813)
Administrative expenses, excluding share based payments, depreciation, amortisation and impairment		(17,325)	(16,376)
Other operating income		167	32
Impairment of intangibles		(2,439)	-
Operating profit		1,689	4,762
Movement in fair value of investments		-	(807)
Finance income		1	1
Finance costs		(195)	(195)
Net finance cost		(194)	(194)
Profit before tax		1,495	3,761
Income tax expense	4	(568)	(105)
Profit for the year		927	3,656
Profit attributable to :			
Owners of the company		927	3,656

Earnings per share from total and continuing operations attributable to equity holders of the parent

		2022	Restated* 2021
Basic - pence	6	1.96	7.86
Diluted - pence	6	1.94	7.77

The above results were derived from continuing operations.

*In the current year, the consolidated income statement has been restated, see note 8.

Tristel Plc

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2022

	2022 £ 000	Restated* 2021 £ 000
Profit for the year	927	3,656
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation gains/(losses)	138	(600)
Total comprehensive income for the year	1,065	3,056
Total comprehensive income attributable to:		
Owners of the company	1,065	3,056

*In the current year, total comprehensive income has been restated, see note 8.

Tristel Plc

Consolidated Statement of Financial Position as at 30 June 2022

	Note	30 June 2022 £ 000	Restated* 30 June 2021 £ 000
Assets			
Non-current assets			
Property, plant and equipment		2,791	3,119
Right of use assets		5,209	5,423
Goodwill		5,242	5,265
Intangible assets		4,138	6,704
Deferred tax assets		1,493	2,489
		18,873	23,000
Current assets			
Inventories		4,420	4,266
Trade and other receivables		5,851	5,255
Income tax receivable		713	170
Cash and cash equivalents		8,883	8,094
		19,867	17,785
Total assets		38,740	40,785
Equity and liabilities			
Equity			
Share capital	7	473	471
Share premium		13,996	13,600
Foreign currency translation reserve		(65)	(203)
Merger reserve		2,205	2,205
Retained earnings		12,371	14,687
Equity attributable to owners of the company		28,980	30,760
Non-controlling interests		7	7
Total equity		28,987	30,767
Non-current liabilities			
Lease liabilities		4,997	5,276
Deferred tax liabilities		720	637
		5,717	5,913
Current liabilities			
Trade and other payables		3,222	3,476
Lease liabilities		814	629
		4,036	4,105
Total liabilities		9,753	10,018
Total equity and liabilities		38,740	40,785

* In the current year, right of use assets have been disclosed separately from property, plant and equipment in accordance with IFRS 16.47. The prior year right of use assets of £5,423,000 have been restated to reflect the same split.

Deferred tax assets, income tax receivable, income tax liability and retained earnings have also been restated. See note 8.

Tristel Plc

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2022

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Merger reserve £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 July 2021 – restated *	471	13,600	(203)	2,205	14,687	30,760	7	30,767
Profit for the year	-	-	-	-	927	927	-	927
Exchange difference on translation of foreign operations	-	-	138	-	-	138		138
Total comprehensive income	-	-	138	-	927	1,065	-	1,065
Dividends	-	-	-	-	(3,091)	(3,091)	-	(3,091)
New share capital subscribed	2	396	-	-	-	398	-	398
Deferred tax through equity	-	-	-	-	(795)	(795)	-	(795)
Current tax through equity					47	47	-	47
Share based payment transactions	-	-	-	-	596	596	-	596
At 30 June 2022	473	13,996	(65)	2,205	12,371	28,980	7	28,987

* See note 8 for restatement

Tristel Plc

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2022 (continued)

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Merger reserve £ 000	Restated* Retained earnings £ 000	Restated* Total £ 000	Non- controlling interests £ 000	Restated* Total equity £ 000
At 1 July 2020	453	12,634	397	2,205	12,767	28,456	7	28,463
Profit for the year – restated*	-	-	-	-	3,656	3,656	-	3,656
Exchange difference on translation of foreign operations	-	-	(600)	-	-	(600)	-	(600)
Total comprehensive income	-	-	(600)	-	3,656	3,056	-	3,056
Dividends	-	-	-	-	(3,017)	(3,017)	-	(3,017)
New share capital subscribed	18	966	-	-	-	984	-	984
Deferred tax through equity	-	-	-	-	(136)	(136)	-	(136)
Current tax through equity	-	-	-	-	593	593	-	593
Share based payment transactions	-	-	-	-	824	824	-	824
At 30 June 2021	471	13,600	(203)	2,205	14,687	30,760	7	30,767

*The consolidated statement of changes in equity has been restated, see note 8.

Tristel Plc

Consolidated Statement of Cash Flows for the Year Ended 30 June 2022

		2022	2021
Cash flows from operating activities	**Note**	**£000**	**£000**
Profit before tax		1,495	3,761
Adjustments to cash flows from non-cash items			
Depreciation of leased assets		973	772
Depreciation of plant, property & equipment		632	591
Impairment of goodwill		67	67
Amortisation of intangible assets		1,105	1,383
Impairment of intangibles		2,439	-
Share based payments - IFRS 2		596	824
Movement on fair value asset		-	807
Loss on disposal of property, plant and equipment		20	73
Lease interest		193	195
Other interest		2	-
Finance income		(1)	(1)
		7,521	8,472
Working capital adjustments			
(Increase)/decrease in inventories		(154)	353
(Increase)/decrease in trade and other receivables		(596)	1,167
(Decrease) in trade and other payables		(253)	(1,196)
Lease interest paid		(193)	(195)
Corporation tax paid		(772)	(1,925)
Net cash flow from operating activities		5,553	6,676
Cash flows from investing activities			
Interest received		1	1
Purchase of intangible assets		(898)	(608)
Purchase of property plant and equipment		(305)	(1,159)
Net cash used in investing activities		(1,202)	(1,766)
Cash flows from financing activities			
Payment of lease liabilities		(930)	(797)
Share issues		398	984
Dividends paid	5	(3,091)	(3,017)
Net cash used in financing activities		(3,623)	(2,830)
Net increase in cash and cash equivalents		728	2,080
Cash and cash equivalents at the beginning of the year		8,094	6,212
Exchange differences on cash and cash equivalents		61	(198)
Cash and cash equivalents at the end of the year		8,883	8,094

Tristel Plc

Consolidated Statement of Cash Flows for the Year Ended 30 June 2022 (continued)

Net Funds - liabilities from financing activities and other assets

	Leases	Cash	Total
	£000	£000	£000
Net funds at 30 June 2020	(6,002)	6,212	210
Cash movement	-	1,882	1,882
Payment of lease liabilities	992	-	992
Lease interest	(195)	-	(195)
Acquisition - leases	(702)	-	(702)
Foreign exchange adjustments	2	-	2
Net funds as at 30 June 2021	(5,905)	8,094	2,189
Cash movement		789	789
Payment of lease liabilities	1,123	-	1,123
Lease interest	(193)	-	(193)
Acquisition - leases	(858)	-	(858)
Foreign exchange adjustments	22	-	22
Net funds as at 30 June 2022	(5,811)	8,883	3,072

1 Accounting policies

Basis of accounting
These financial statements have been prepared in accordance with UK adopted international accounting standards and in accordance with the provisions of the Companies act 2006.

Tristel plc, the Group's ultimate parent company, is a limited liability company incorporated and domiciled in the United Kingdom.

Basis of consolidation
The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2022. Subsidiaries are entities over which the Group has rights or is exposed to variable returns from its involvement with the investee and has the power to affect those returns by controlling the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. These fair values are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the assets of the parent and the non-controlling interests based on their respective ownership interests.

Audit exemption
The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act:

• Tristel International Limited - Registered number 07874262
• Scorcher Idea Limited - Registered number 04602679

Parent Company exemption to disclose profit and loss account

The following company is exempt from the requirements of the UK Companies Act 2006 relating to the disclosure of a profit and loss account by virtue of s408(3) of the Act:

• Tristel PLC - Registered number 04728199

Changes in accounting policy

Since 30 June 2021 a number of standards, amendments to or interpretations of standards have been issued as shown by the following two tables, as follows:

Adoption of new and revised standards

The following accounting standards, interpretations and amendments have been adopted by the Group in the year ended 30 June 2022:

Amendments to the following standards:
IFRS 4 Insurance Contracts – Deferral of IFRS 9
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

These amended standards did not have a material effect on the Group.

Accounting standards not yet adopted by the Group

The following accounting standards, interpretations and amendments have been issued by the IASB but had either not been adopted by the UK or were not yet effective in the UK at 30 June 2022:

IFRS 17 Insurance Contracts
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 16 Property, Plant and Equipment
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IFRS 3 Business Combinations
IFRS 16 Leases: COVID-19 Related Rent Concessions
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
Amendments to Annual Improvements 2018–2020

The Directors do not expect the standards above to have a material effect and have chosen not to adopt any of the above standards and interpretations earlier than required.

2 Publication non-statutory accounts

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 June 2022 or 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Board of Tristel plc approved the release of this Preliminary Announcement on 24 October 2022.

3 Segmental Analysis

Management considers the Company's revenue lines to be split into three operating segments, which span the different Group entities. The operating segments consider the nature of the product sold, the nature of production, the class of customer and the method of distribution. The Company's operating segments are identified initially from the information which is reported to the chief operating decision maker.

The first segment concerns the manufacture and sale of medical device decontamination products which are used primarily for infection control in hospitals. This segment generates approximately 82% of Company revenues (2021: 77%).

The second segment which constitutes 10% (2021: 13%) of the business activity, relates to the manufacture and sale of hospital environmental surface disinfection products.

The third segment addresses the pharmaceutical and personal care product manufacturing industries, veterinary and animal welfare sectors and has generated 8% (2021: 10%) of the Company's revenues this year. A number of the products contained within this segment were discontinued during the year.

The operation is monitored and measured on the basis of the key performance indicators of each segment, these being revenue and gross profit, and strategic decisions are made on the basis of revenue and gross profit generating from each segment.

The Company's centrally incurred administrative expenses and operating income, and assets and liabilities, cannot be allocated to individual segments.

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenue	Total 2022
	£000	£000	£000	£000
Revenue				
From external customers	25,422	3,178	2,523	31,123
Cost of material	(4,060)	(1,292)	(1,112)	(6,464)
Segment gross profit	21,362	1,886	1,411	24,659
Gross margin	84%	59%	56%	79%
Centrally incurred income and expenses not attributable to individual segments:				
Depreciation and amortisation of non-financial assets				(2,777)
Other administrative expenses				(17,325)
Share-based payments				(596)
Other income				167
Impairment of intangible assets				(2,439)
Segment operating profit				1,689
Segment operating profit can be reconciled to Group profit before tax as follows:				
Finance (expense)				(194)
Total profit before tax				1,495

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2021
	£000	£000	£000	£000
Revenue				
From external customers	24,003	4,018	2,977	30,998
Cost of material	(3,875)	(1,286)	(1,094)	(6,255)
Segment gross profit	20,128	2,732	1,883	24,743
Gross margin	84%	68%	63%	80%
Centrally incurred income and expenses not attributable to individual segments:				
Depreciation and amortisation of non-financial assets				(2,813)
Other administrative expenses				(16,376)
Share based payments				(824)
Other income				32
Segment operating profit				4,762
Segment operating profit can be reconciled to Group profit before tax as follows:				
Finance (expense)				(194)
Movement on fair value of investments				(807)
Total profit before tax				3,761

The Group's revenues from external customers are divided into the following geographical areas:

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2022
	£000	£000	£000	£000
UK & Europe direct	17,990	2,534	1,737	22,261
APAC region direct	5,303	484	506	6,293
Worldwide distributors	2,129	160	280	2,569
Total Revenues	25,422	3,178	2,523	31,123

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2021
	£000	£000	£000	£000
UK & Europe direct	16,895	3,253	2,269	22,417
APAC region direct	5,023	663	357	6,043
Worldwide distributors	2,085	102	351	2,538
Total Revenues	24,003	4,018	2,977	30,998

Revenues from external customers in the Company's domicile (United Kingdom), as well as its other major markets (Rest of the World) have been identified on the basis of internal management reporting systems, which are also used for VAT purposes.

Revenues derived from the UK (the largest CGU stated above) for 2022 were £13.610m (2021: £13.906m). Revenues from all overseas subsidiaries total £17.513m (2021: £17.092m.)

Hospital medical device decontamination revenues were derived from a large number of customers but include £4.572m from a single customer which makes up 18% of this segment's revenue (2021: £5.727m, being 24%). Hospital environmental surface disinfection revenues were derived from a number of customers but include £1.636m from a single customer which makes up 51% of this segment's revenue (£0.930, being 23%). Other revenues also were derived from a number of customers, with the largest customer accountable for £0.124m, which represents 5% of revenue for that segment (2021: £0.251m, 8% from a single customer).

During the year 20% of the Group's total revenues were earned from a single customer (2021: 22%).

4 Income tax

Tax charged in the income statement

	2022	Restated* 2021
	£000	£000
Current taxation		
Overseas tax	284	1,187
UK corporation tax	-	133
UK corporation tax adjustment to prior periods	-	(156)
	284	1,164
Deferred tax		
Arising from origination and reversal of temporary differences	114	(974)
UK deferred tax adjustment to prior periods	314	-
Tax rate effect	(144)	(85)
	284	(1,059)
Tax expense in the income statement	568	105

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	Restated* 2021 £ 000
Profit before tax	1,495	3,761
Corporation tax at standard rate	284	715
Adjustment in respect of prior years	314	(156)
Expenses not deductible for tax purposes	66	68
Increase from effect of foreign tax rates	25	307
Utilisation of previously recognised tax losses and recognised tax losses carried forward	118	(620)
Tax rate differences	(144)	(85)
Enhanced relief on qualifying scientific research expenditure	(95)	(124)
Total tax charge	568	105

* See note 8 for restatement

5 Dividends

Amounts recognised as distributions to equity holders in the year:

	2022	2021
	£000	£000
Ordinary shares of 1p each		
Final dividend for the year ended 30 June 2021 of 3.93p (2020: 3.84p) per share	1,854	1,785
Interim dividend for the year ended 30 June 2022 of 2.62p (2021: 2.62p) per share	1,237	1,232
	3,091	3,017
Proposed final dividend for the year ended 30 June 2022 of 3.93p (2021: 3.93p) per share	1,856	1,851
Special dividend for the year ended 30 June 2022 of 3.00p per share (2021: nil)	1,417	-
Company		
Dividend received from subsidiaries	(7,515)	(4,332)

The proposed final dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

6 Earnings per share

The calculations of earnings per share are based on the following profits and number of shares:		Restated*
	2022	**2021**
	£000	**£000**
Retained profit for the financial year attributable to equity holders of the parent	927	3,656
	Shares	**Shares**
	'000	**'000**
	Number	**Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	47,187	46,539
Share options	582	494
	47,769	47,033
Earnings per ordinary share		
Basic	1.96p	7.86p
Diluted	1.94p	7.77p

The Group also presents an adjusted basic earnings per share figure which excludes the share-based payments charge:

		Restated*
	2022	**2021**
	£000	**£000**
Retained profit for the financial year attributable to equity holders of the parent	927	3,656
Adjustments:		
Fair value movement on investments	-	807
Impairment of intangible assets	2,439	-
Share based payments	596	824
Net adjustments	3,035	1,631
Adjusted earnings	3,962	5,287
Adjusted basic earnings per ordinary share	8.40p	11.36p

* See note 8 for restatement

7 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary of £0.01 each	47,244	472.44	47,094	470.94

	Number	£000
30 June 2021	47,094,443	471
Issued during the year	155,550	2
30 June 2022	47,249,993	473

155,550 ordinary shares of 1 pence each, related to the exercise of 155,550 share options were issued during the year (2021: 1,797,910). The weighted average exercise price was 3.15 pence (2021: 51.00p).

During the year 1,306 ordinary shares of 1 pence each were issued at a premium of £396,000 (2021: 966,000) which is recorded in the share premium account.

8 Prior year restatement

During the current year, it was identified that deferred tax assets relating to unrecognised taxable losses of £3,600,000 in the UK had not been recognised in the prior year. Based on the circumstances in the prior year, these should have been recorded as a deferred tax asset at 19%, equating to £684,000. The prior year financial statements have been restated for this adjustment. In addition, in the prior year an income tax receivable for £170,000 was inappropriately classified as an income tax liability. The prior year comparatives have been restated to correctly reclassify the balance as an income tax receivable.

9 Non- GAAP measures

Income statement reconciliation

The group presents adjusted profit measures (operating profit/EBIT, Profit after tax, Profit before tax and EBITDA) by making adjustments for costs and profits, which management believes to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings. Such items may include, but are not limited to, share based payments expense, impairments, fair value movements on investments and restructuring. In addition, the group presents EBITDA and adjusted EBITDA (adjusted in the same manner) as management believes that this is an important metric for the shareholders. The group uses adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting. See below reconciliation of operating profit (EBIT), profit before tax, net profit and EBITDA to the respective adjusted measures.

Adjusted profit measures	2022 Statutory £000	Specific adjusting items 1	Specific adjusting items 2	2022 Adjusted £000
Operating profit (EBIT)	1,689	2,439	596	4,724
Net finance costs	(194)			(194)
Profit before tax	1,495	2,439	596	4,530
Income tax expense	(568)	(610)		(1,178)
Profit attributable to equity shareholders	927	1,829	596	3,352
Effective tax rate	38%	25%	0%	26%
Profit before tax margin	5%			15%
Profit for the year	927	1,829	596	3,352
Income tax credit/(expense)	568	610	-	1,178
Net finance cost	194	-	-	194
Depreciation, amortisation and impairments	5,216	(2,439)	-	2,777
EBITDA	6,905	-	596	7,501
Revenue for the year	31,123	-	-	31,123
EBITDA margin	22%	-	-	24%

Adjusted profit measures	2021 Statutory £000	Specific adjusting items 2	Specific adjusting items 3	2021 Adjusted £000
Operating profit (EBIT)	3,955	824	807	5,586
Net finance costs	(194)			(194)
Profit before tax	3,761	824	807	5,392
Income tax expense - restated	(105)			(105)
Profit attributable to equity shareholders	3,656	824	807	5,287
Effective tax rate	2.9%	0%	0%	2%
Profit before tax margin	12%			17%
Profit for the year	3,656	824	807	5,287
Income tax expense	105	-	-	105
Net finance cost	194	-	-	194
Depreciation, amortisation and impairments	2,813	-	-	2,813
EBITDA	6,768	824	807	8,399
Revenue for the year	30,998	-	-	30,998
EBITDA margin	22%	-	-	27%

Specific adjusting items are as follows:

1. Impairment of intangibles in relation to the current year product rationalisation project.
2. Share based payment charges under IFRS 2.
3. Movement in fair value of investments in relation to the prior year decision to reduce the fair value of the investment in Mobile ODT to zero.

10 Annual report

Printed copies of the annual report and financial statements, along with the notice of AGM, will be sent to shareholders prior to the Company's Annual General Meeting taking place on 12 December 2022 in Snailwell, Newmarket.