

26 February 2024

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

## Half-year Report

### Unaudited Interim Results for the six months ended 31 December 2023

Tristel plc (AIM: TSTL), the manufacturer of infection prevention products utilising proprietary chlorine dioxide technology, announces its interim results for the six months to 31 December 2023, exceeding internal growth targets by delivering 20% revenue growth and 44% growth in pre-tax profits. The Company also announces a doubling of its interim dividend payment.

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

- Revenue up 20% to a record £20.9m (2022: £17.5m)
- Overseas sales up 13% to £12.7m (2022: £11.2m)
- Reported EBITDA up 21% to £4.7m (2022: £3.9m)
- Adjusted\* EBITDA up 18% to £5.4m (2022: £4.6m)
- Reported profit before tax up 44% to £3.4m (2022: £2.4m)
- Adjusted\* profit before tax up 34% to £4.1m (2022: £3.1m)
- Reported EPS up 104% to 6.50p (2022: 3.19p)
- Adjusted\* EPS of 8.68p up 87% (2022: 4.65p)
- Doubling of interim dividend to 5.24p per share (2022: 2.62p)
- No debt and cash of £10.8m (2022: £8.4m)

*\*Adjusted for share-based payments of £0.7m (2022: £0.7m)*

#### Operational highlights

- First manufacture and launch of Tristel ULT into the United States ultrasound market
- Approval of Tristel ULT by Health Canada post-period end
- UK & EU Medical Device Regulation reviews of Cache Tank and Capsule successfully concluded and positive recommendation for UKCA and MDR certification made post-period end

**Commenting on the interim results, Paul Swinney, Chief Executive of Tristel, said:** *"We are delighted to report a record performance on all levels, alongside first sales into the North American market. Total revenue increased by 20% on last year, exceeding our internal revenue growth target."*

*"Adjusted profit before tax increased by 34% to £4.1m, and we have doubled our interim dividend, putting the Company on track for a record earnings year."*

*"Looking forward, we expect to make our second FDA submission, a 510(k) for Tristel OPH, our ophthalmic device high level disinfectant, in time for an approval by the end of 2024. Post period end, all reviews under both UK and EU Medical Device Regulations for Tank and Capsule, the newest additions to the Cache range, have been successfully concluded and a positive recommendation for UKCA and MDR certification has been made. This enables us to expand into the largely untapped sporicidal surface disinfection market."*

*"This six-month period represents the highest sales and profit performance that the Company has experienced in its thirty-year history, including during the early COVID era when demand for our products was unprecedented."*

*"I am thrilled that the Company continues to thrive and grow, with a pipeline of new product launches planned for the near term."*

#### CFO video overview & investor presentations

Please find a link to a video overview relating to the Company's interim results from the Group's Chief Financial Officer, Liz Dixon here: <https://stream.brrmedia.co.uk/broadcast/65d7330135af67d51a41bd95>.

Paul Swinney, CEO, and Liz Dixon, CFO, will present the Company's results via the Investor Meet Company platform today at 11:30am GMT. The presentation will also be available for playback after the event. Investors can sign up to Investor Meet Company for free and add to meet Tristel plc via: <https://www.investormeetcompany.com/tristel-plc/register-investor>

An in-person presentation will take place today at 4:15pm for a 4:30pm start at 85 Gresham Street, London, EC2V 7NQ followed by refreshments. Please register to attend by contacting Walbrook PR on 020 7933 8780 or email [tristel@walbrookpr.com](mailto:tristel@walbrookpr.com).

**For further information please contact:**

**Tristel plc**

Paul Swinney, Chief Executive Officer  
Liz Dixon, Chief Financial Officer

**Tel: 01638 721 500**  
[www.investors.tristel.com](http://www.investors.tristel.com)

**Walbrook PR Ltd**

Paul McManus  
Charlotte Edgar

**Tel: 020 7933 8780 or [tristel@walbrookpr.com](mailto:tristel@walbrookpr.com)**  
Mob: 07980 541 893  
Mob: 07884 664 686

**Cavendish Capital Markets Ltd**

Geoff Nash / Charlie Beeson (Corporate Finance)  
Sunila de Silva (ECM)

**Tel: 020 7220 0500**

**About Tristel plc**

Tristel plc is a global infection prevention company focussed on the manufacture and supply of products using its unique proprietary chlorine dioxide (ClO<sub>2</sub>) chemistry. The Company is a market leader in manual decontamination of medical devices, supplying hospitals under the [Tristel](#) brand, and under the [Cache](#) brand provides products for sporicidal surface disinfection, in a format which is a sustainable alternative to commonly used pre-wetted plastic wipes.

Tristel's head office and manufacturing facility is located in Snailwell, near Cambridge, and operates globally employing approximately 250 people across 14 subsidiaries selling into 40 countries.

The Company has been listed on the London Stock Exchange's AIM market since 2005 (AIM: TSTL).

For more information about Tristel's product range please visit: <https://tristel.com>

## Chairman's statement

### Revenue

During the half revenue increased by 20%, reaching a record level of £20.9m.

Higher sales volume accounted for £1.5m of the £3.4m revenue growth and price increases accounted for the remaining £1.9m. This represents an average price increase of 12%, reflecting the global inflationary environment. In the UK the increase has been higher because of supply agreements which require fixed pricing extending into the future.

Tristel medical device sales grew by 25%, reaching £18.3m. In all counties in which we sell we continue to build our market leadership position. We are also benefiting from an increase in diagnostic procedure numbers as hospitals worldwide continue to tackle backlogs caused by the pandemic.

Post period end, we received confirmation that all reviews under the Medical Devices Regulation 2002 ("UK MDR") and the European Union Medical Device Regulation 2017/745 ("EU MDR") for approval of the Company's TANK ClO<sub>2</sub> Sporicidal Disinfectant system have successfully concluded and a positive recommendation for UKCA and MDR certification has been made. This now allows us to accelerate our sales activity throughout Europe. Cache sales were impacted by this delayed approval, decreasing slightly from £1.8m to £1.7m.

The Other revenue segment includes carriage and third-party products which are complementary to the Company's key strategic focus on infection prevention. Sales within this category declined marginally in the period.

### Profits and margins

Our gross margin increased to 84% in the half (2022: 81%), due to a combination of product mix and price increases.

Sales, general and administrative expenses were £11.9m (2022: £9.5m), a 27% increase. This cost growth is due to a combination of inflationary increases and the recruitment of an additional 27 staff into our sales, marketing and distribution areas. We implemented pay increases during 2023 to ensure our pay rates remain competitive and to secure staff retention.

Reported Group profit before tax increased by 44% to £3.4m (2022: £2.4m), and Group profit before tax and share-based payments increased by 34% to £4.1m (2022: £3.1m).

### Earnings and Dividend

Reported earnings per share (EPS) were 6.50p, an increase of 104% from 3.19p last year.

EPS adjusted for share-based payments of £0.7m (2022: £0.7m) was 8.68p (2022: 4.65p). The increase in adjusted EPS relates in part to a lower tax rate of 10% (2022: 37%). The effective tax rate on operational results is 20%, however, the tax impact of the Group's share option plans decreased the overall effective tax rate for the period to 10%.

The share-based payment charge of £0.7m is derived from the Group's All-Staff share option scheme which is based upon periodic share option grants to staff members (£0.5m), and the Executive Management LTIP scheme (£0.2m). The All-Staff scheme is valued via the Black-Scholes model; the Executive Management scheme, which is linked to share price and profit targets, is valued via the Monte Carlo method. The Board believes that these share schemes help to retain staff and link their interests to shareholders. The value of share-based payments is significantly influenced by the volatility of the Company's share price, a factor that is out of the Board's control. As consequence, profit and earnings are reported on both an adjusted basis, adding back share-based payments, alongside unadjusted, so that the underlying profitability of the Company can be understood.

The Board is recommending an interim dividend of 5.24 pence (2022: 2.62 pence) to be paid on 12 April 2024. The associated ex-dividend date will be 21 March 2024 with a record date of 22 March 2024.

### North America

We now have clearance from both the FDA and Health Canada to sell Tristel ULT, our high-level disinfectant foam for use on endo-cavity ultrasound probes and skin surface transducers. We also have approval from Health Canada for Tristel OPH, our high-level disinfectant foam for use on ophthalmic and optometry medical devices. We will make a 510(K) submission to the FDA for this product during the summer of 2024 and expect clearance by the end of 2024.

We have established a manufacturing base for both products with our partner Parker Laboratories Inc., New Jersey, and will utilise Parker's national distribution network for the US and Canadian ultrasound markets. We are selling Tristel OPH through Innova Medical Inc., a specialist supplier of ophthalmic instruments into the Canadian market. We will put in place a distribution arrangement for the United States ophthalmic market in the second half of the year.

Parker's manufacturing processes have been validated by our quality team and production is now underway. The product has been through beta testing at a number of healthcare institutions in the United States, with very positive feedback. Parker Laboratories plans an extensive

marketing and trade show programme throughout 2024 and is in the process of expanding its salesforce in order to capitalise on the potential that Tristel ULT represents. During the first ten weeks of activity our revenue and royalty income from North America totalled £46k. We are very encouraged by this positive start.

In the second half of the year, we will procure office premises and recruit a small number of United States based staff to support Parker's marketing and sales efforts and establish a local regulatory capability.

**CEO succession**

At the time of our AGM in December, Paul Swinney, the Company's founder and CEO of 30 years, announced his plans to retire in 2024 following a successful transition of leadership. A competitive selection programme is currently underway.

**Outlook**

With North America now an active territory for us and further product approvals in the pipeline, the business is in good shape. We continue to look forward to the future positively.

**Bruno Holthof**

**Chairman**

**26 February 2024**

Condensed Consolidated Income Statement for the six months ended 31 December 2023

		Restated*		
		6 months ended	6 months ended	Year ended
		31-Dec-23	31-Dec-22	30-Jun-23
		(unaudited)	(unaudited)	(audited)
	Note	£'000	£'000	£'000
<b>Revenue</b>	2	20,943	17,463	36,009
Cost of sales		(3,401)	(3,322)	(6,834)
<b>Gross profit</b>		17,542	14,141	29,175
Distribution expenses		(274)	(198)	(323)
Admin expenses – share-based payments		(691)	(688)	(1,061)
Admin expenses – depreciation and amortisation		(1,365)	(1,431)	(2,618)
Admin expenses – other (sales, general and administration)		(11,833)	(9,353)	(19,896)
Total Admin expenses		(13,889)	(11,472)	(23,575)
Other operating income		-	13	4
<b>Operating profit</b>		3,379	2,484	5,281
Finance income		125	-	10
Finance costs		(67)	(96)	(179)
<b>Profit before taxation</b>		3,437	2,388	5,112
Taxation		(355)	(882)	(651)
<b>Profit/(loss) for the period from continuing operations</b>		3,082	1,506	4,461
<b>Profit/(loss) for the period attributable to the Group's equity shareholders</b>		3,082	1,506	4,461
<b>Earnings per share from continuing operations attributable to equity holders of the parent</b>				
Basic (pence)	5	6.50	3.19	9.44
Diluted (pence)		6.31	3.14	9.34

Earnings from continuing operations before interest, tax depreciation, amortisation and impairment for the period ended 31 December 2023 were £4,744,000. (Period ended 31 December 2022 restated £3,915,000). Year ended 30 June 23 £7,899,000. Restatement of 31 December 2022 was in relation to a restatement of figures relating to IFRS 16.

Condensed Consolidated Statement of Comprehensive Income for the six months ended 31 December 2023

	6 months ended 31-Dec-23 (unaudited) £'000	6 months ended 31-Dec-22 (unaudited) £'000	Year ended 30-Jun-23 (audited) £'000
<b>Profit for the period</b>	3,082	1,506	4,461
<b>Items that will be reclassified subsequently to Profit and loss</b>			
Exchange differences on translation of foreign operations	64	188	(214)
<b>Other comprehensive income for the period</b>	3,146	188	4,247
<b>Total comprehensive income for the period</b>	3,146	1,694	4,247
<b>Attributable to:</b>			
Equity holders of the parent	3,146	1,694	4,247
	3,146	1,694	4,247

Condensed Consolidated Statement of Financial Position as at 31 December 2023

	6 months ended	Restated 6 months ended	Year ended
	31-Dec-23	31-Dec-22	30-Jun-23
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
<b>Non-current assets</b>			
Goodwill	5,152	5,325	5,156
Intangible assets	4,579	3,828	4,757
Right of use assets	5,599	5,286	4,905
Property, plant and equipment	2,770	2,682	2,922
Deferred tax asset	626	1,058	1,286
	18,726	18,179	19,026
<b>Current assets</b>			
Inventories	4,450	4,668	4,569
Trade and other receivables	6,226	6,394	7,081
Income tax receivable	625	1,160	1,146
Short-term investments	6,000	-	2,432
Cash and cash equivalents	4,767	8,421	7,113
	22,068	20,643	22,431
<b>Total assets</b>	40,794	38,822	41,367
<b>Capital and reserves</b>			
Called up share capital	475	473	474
Share premium account	14,530	14,010	14,188
Merger reserve	2,205	2,205	2,205
Foreign exchange reserves	(215)	123	(279)
Retained earnings	14,127	12,095	14,089
<b>Equity attributable to equity holders of parent</b>	31,122	28,906	30,677
Minority interest	7	7	7
<b>Total equity</b>	31,129	28,913	30,684
<b>Current liabilities</b>			
Trade and other liabilities	3,671	3,697	4,801
Income tax payable	-	-	103
Current leased asset liabilities	814	828	859
<b>Total current liabilities</b>	4,485	4,525	5,763
<b>Non-current liabilities</b>			
Deferred tax	41	654	599
Non-current leased asset liabilities	5,139	4,730	4,321
<b>Total liabilities</b>	9,665	9,909	10,683
<b>Total equity and liabilities</b>	40,794	38,822	41,367

## Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2023

	Share Capital	Share Premium	Merger reserve	Foreign exchange reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
30 June 2022 (restated)	473	13,996	2,205	(65)	13,078	29,687	7	29,694
<b>Transactions with owners</b>								
Dividends paid					(3,273)	(3,273)		(3,273)
Shares issued	-	14				14		14
Share-based payments					688	688		688
Deferred tax through equity					96	96		96
<b>Total transactions with owners</b>	-	14			(2,489)	(2,475)		(2,475)
Profit for the period ended 31 December 2022					1,506	1,506		1,506
<b>Other comprehensive income: -</b>								
Exchange differences on translation of foreign operations				188		188		188
Total comprehensive income				188	1,506	1,694		1,694
<b>31 December 2022</b>	473	14,010	2,205	123	12,095	28,906	7	28,913
<b>Transactions with owners</b>								
Dividends paid					(1,238)	(1,238)		(1,238)
Shares issued	1	178				179		179
Share-based payments					373	373		373
Deferred tax through equity					(96)	(96)		(96)
<b>Total transactions with owners</b>	1	178			(961)	(782)		(782)
Profit for the period ended 30 June 2023					2,955	2,955		2,955
<b>Other comprehensive income: -</b>								
Exchange differences on translation of foreign operations				(402)		(402)		(402)
Total comprehensive income				(402)	2,955	2,553		2,553
<b>30 June 2023</b>	474	14,188	2,205	(279)	14,089	30,677	7	30,684
<b>Transactions with owners</b>								
Dividends paid					(3,735)	(3,735)		(3,735)
Shares issued	1	342				343		343
Share-based payments					691	691		691
<b>Total transactions with owners</b>	1	342	-	-	(3,044)	(2,701)	-	(2,701)



**Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2023 (continued)**

	Share Capital	Share Premium	Merger reserve	Foreign exchange reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total transactions with owners brought forward</b>	1	342	-	-	(3,044)	(2,701)	-	(2,701)
Profit for the period ended 31 December 2023					3,082	3,082		3,082
<b>Other comprehensive income: -</b>								
Exchange differences on translation of foreign operations				64		64		64
Total comprehensive income	-	-	-	64	3,082	3,146		3,146
<b>31 December 2023</b>	475	14,530	2,205	(215)	14,127	31,122	7	31,129

Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2023

		6 months ended 31-Dec-2023 (unaudited) £'000	6 months ended 31-Dec-2022 (unaudited) £'000	Year ended 30-Jun-2023 (audited) £'000
<b>Cash flows from operating activities</b>	<b>Note</b>			
Group profit/(loss) before tax for the period		3,437	2,388	5,112
Adjustments to cash flows from non-cash items				
Depreciation of leased assets		505	500	1,000
Depreciation of plant, property & equipment		350	323	734
Amortisation of intangible asset		477	577	816
Impairment of intangible asset		33	33	68
Share-based payments - IFRS 2		691	688	1,061
Loss on disposal of PPE and intangible assets		-	-	69
Lease interest		66	92	177
Other interest		-	-	2
Finance income		(125)	-	(10)
		5,434	4,601	9,029
Working capital adjustments				
(Increase)/decrease in inventories		119	(248)	(149)
(Increase)/decrease in trade and other receivables		855	(543)	(1,230)
Increase/(decrease) in trade and other payables		(1,130)	475	1,330
Lease interest paid		(66)	(92)	(177)
Corporation tax paid		181	(533)	(313)
<b>Net cash flow from operating activities</b>		5,393	3,660	8,490
<b>Cash flows from investing activities</b>				
Interest received		125	-	10
Purchase of intangible assets		(300)	(295)	(1,570)
Purchase of property plant and equipment		(218)	(128)	(853)
Cash deposit to short-term investments		(3,568)	-	(2,432)
<b>Net cash used in investing activities</b>		(3,961)	(423)	(4,845)
<b>Cash flows from financing activities</b>				
Payment of lease liabilities		(426)	(450)	(1,126)
Share issues		342	14	193
Dividends paid	4	(3,735)	(3,273)	(4,511)
<b>Net cash used in financing activities</b>		(3,819)	(3,709)	(5,444)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,387)	(472)	(1,799)
Cash and cash equivalents at the beginning of the period		7,113	8,883	8,883
Exchange differences on cash and cash equivalents		41	10	29
Cash and cash equivalents at the end of the period		4,767	8,421	7,113

## 1 Accounting policies

### Basis of Preparation

For the year ended 30 June 2023, the Group prepared consolidated financial statements under UK adopted international accounting standards. These condensed consolidated interim financial statements (the interim financial statements) have been prepared under the historical cost convention. They are based on the recognition and measurement principles of UK adopted international accounting standards which are effective from 1 July 2023.

**Forthcoming requirements:** This table lists the recent changes to the Standards that are required to be applied for annual periods beginning after 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2023.

Effective date	
1 January 2024	Amendment to IAS 1 – Non-current liabilities with covenants
1 January 2024	Amendment to IAS 7 and IFRS 7 – Supplier finance
1 January 2024	Amendments to IAS 21 – Lack of exchangeability

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

None of the standards, interpretations and amendments effective for the first time from 1 July 2023 have had a material effect on the financial statements.

### Accounting Policies

The interim report is unaudited and has been prepared on the basis of IFRS accounting policies.

The accounting policies adopted in the preparation of this unaudited interim financial report are consistent with the most recent annual financial statements being those for the year ended 30 June 2023.

The financial information for the six months ended 31 December 2023 and 31 December 2022 has not been audited and does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006.

The financial information relating to the year ended 30 June 2023 does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006. This information is based on the Group's statutory accounts for that period. The statutory accounts were prepared in accordance with UK adopted international accounting standards and received an unqualified audit report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006. These financial statements have been filed with the Registrar of Companies.

## 2 Segmental Analysis

At financial year end (June 2023), the Group reassessed its operating segments and considered that they should be based on geography rather than by product category as previously was the case. Group revenue lines are split into fourteen geographic regions, which span the different Group entities. In accordance with IFRS 8, aggregation criteria have been applied to six operating segments where similar economic characteristics are shared. The directors consider the operating segments to have similar economic characteristics as they have similar operating margins, and the nature of products sold, and customers are similar. Management considers these operating regions under six reportable segments. The geographic segments consider the location of the sale and product type sold, which is split into three subdivisions. The Company's operating segments are identified initially from the information which is reported to the chief operating decision maker which for Tristel is the CEO.

The first product division concerns the manufacture and sale of medical device decontamination products which are used primarily for infection control in hospitals. These products generate approximately 87% of Company revenues (2022: 84%).

The second division which constitutes 8% (2022: 10%) of the business activity, relates to the manufacture and sale of hospital environmental surface disinfection products.

The third division addresses the pharmaceutical and personal care product manufacturing industries, veterinary and animal welfare sectors and has generated 5% (2022: 6%) of the Company's revenues this year. A number of the products contained within this division were discontinued during the prior year.

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

### 6 months ending 31 December 2023 (unaudited)

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2023	Profit Before Tax
	£000	£000	£000	£000	£000
UK to UK and Overseas distributors	8,483	1,251	528	10,262	2,957
Australia	1,762	7	130	1,899	85
Germany	2,673	27	43	2,743	123
Western Europe	2,707	114	148	2,969	133
Italy	721	1	1	723	33
Other ROW	1,956	242	149	2,347	106
Total	18,302	1,642	999	20,943	3,437

**6 months ending 31 December 2022 (unaudited)**

	<b>Hospital medical device decontamination</b>	<b>Hospital environmental surface disinfection</b>	<b>Other revenues</b>	<b>Total</b>	<b>Profit Before Tax</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK to UK and Overseas distributors	5,673	1,287	527	7,487	1,940
Australia	1,671	12	70	1,753	79
Germany	2,375	22	46	2,443	109
Western Europe	2,501	130	179	2,810	126
Italy	681	3	-	684	31
Other ROW	1,798	328	160	2,286	103
<b>Total</b>	<b>14,699</b>	<b>1,782</b>	<b>982</b>	<b>17,463</b>	<b>2,388</b>

**Year ending 30 June 2023 (audited)**

	<b>Hospital medical device decontamination</b>	<b>Hospital environmental surface disinfection</b>	<b>Other revenues</b>	<b>Total</b>	<b>Profit Before Tax</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK to UK and Overseas distributors	11,895	2,381	1,017	15,293	4,179
Australia	3,504	22	134	3,660	165
Germany	4,979	40	89	5,108	230
Western Europe	5,244	240	347	5,831	262
Italy	1,429	5	-	1,434	65
Other ROW	3,766	608	309	4,683	211
<b>Total</b>	<b>30,817</b>	<b>3,296</b>	<b>1,896</b>	<b>36,009</b>	<b>5,112</b>

**6 months ending 31 December 2023 (unaudited)**

	<b>Hospital medical device decontamination</b>	<b>Hospital environmental surface disinfection</b>	<b>Other revenues</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue				
From external customers	18,302	1,642	999	20,943
Cost of material	(2,358)	(641)	(402)	(3,401)
Gross profit	<u>15,944</u>	<u>1,001</u>	<u>596</u>	<u>17,542</u>
Gross margin	<u>87%</u>	<u>61%</u>	<u>60%</u>	<u>84%</u>

Centrally incurred income and expenses not attributable to individual segments:

Distribution costs	(274)
Depreciation and amortisation of non-financial assets	(1,365)
Other administrative expenses	(11,833)
Share-based payments	(691)
Other income	-
Operating profit	<u>3,379</u>
Operating profit can be reconciled to Group profit before tax as follows:	
Finance income	58
Total profit before tax	<u>3,437</u>

6 months ending 31 December 2022 (unaudited)

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total
	£000	£000	£000	£000
Revenue				
From external customers	14,699	1,782	982	17,463
Cost of material	(2,226)	(719)	(387)	(3,332)
Gross profit	<u>12,473</u>	<u>1,063</u>	<u>595</u>	<u>14,131</u>
Gross margin	<u>85%</u>	<u>60%</u>	<u>61%</u>	<u>81%</u>
Centrally incurred income and expenses not attributable to individual segments:				
Distribution costs				(188)
Depreciation and amortisation of non-financial assets				(1,431)
Other administrative expenses				(9,353)
Share-based payments				(688)
Other income				13
Operating profit				<u>2,484</u>
Operating profit can be reconciled to Group profit before tax as follows:				
Finance costs (expense)				(96)
Total profit before tax				<u>2,388</u>

Year ending 30 June 2023 (audited)

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2023
	£000	£000	£000	£000
Revenue				
From external customers	30,817	3,296	1,896	36,009
Cost of material	(4,494)	(1,437)	(903)	(6,834)
Gross profit	<u>26,323</u>	<u>1,859</u>	<u>993</u>	<u>29,175</u>
Gross margin	<u>85%</u>	<u>56%</u>	<u>52%</u>	<u>81%</u>
Centrally incurred income and expenses not attributable to individual segments:				
Distribution costs				(323)
Depreciation and amortisation of non-financial assets				(2,618)
Other administrative expenses				(19,896)
Share-based payments				(1,061)
Other income				4
Operating profit				<u>5,281</u>
Operating profit can be reconciled to Group profit before tax as follows:				
Finance (expense)				(169)
Total profit before tax				<u>5,112</u>



### 3 Income tax

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 25% (2023 – 20.50%).

The differences are reconciled below:

	<b>6 months ended 31 December 2023 (unaudited) £000</b>	<b>6 months ended 31 December 2022 (unaudited) £000</b>	<b>Year ended 30 June 2023 (audited) £000</b>
Profit/(loss) before tax	3,437	2,388	5,112
Corporation tax at standard rate	859	490	1,048
Adjustment in respect of prior years	-	-	(529)
Expenses not deductible for tax purposes	266	17	285
(Decrease) from effect of patent box	(392)	-	(643)
Increase from effect of foreign tax rates	(5)	18	46
Tax losses not utilised and other differences	(341)	341	464
Remeasurement of deferred tax due to changes in tax rate	-	114	78
Enhanced relief on qualifying scientific research expenditure	(32)	(98)	(98)
Total tax charge	355	882	651

#### 4 Dividends

Amounts recognised as distributions to equity holders in the year:

	6 months ended 31 December 2023 (unaudited) £000	6 months ended 31 December 2022 (unaudited) £000	Year ended 30 June 2023 (audited) £000
Ordinary shares of 1p each			
Final dividend for the year ended 30 June 2023 of 7.88p (2022: 3.93p) per share **	3,734	1,856	1,856
Special dividend for the year ended 30 June 2023 Of 3.00p (2022: 3.00p)	-	1,417	1,417
Interim dividend for the year ended 30 June 2023 of 2.62p (2022: 2.62p) per share	-	-	1,238
	<hr/>	<hr/>	<hr/>
	3,734	3,273	4,511
Proposed interim dividend for the year ended 30 June 2024 of 5.24p (2023: 2.62p) per share	2,485	1,237	-
	<hr/>	<hr/>	<hr/>

\*\* Based on shares in issue at 22 December 2023 of 47,390,993 (14 December 2022 of 47,227,993).

The proposed interim dividend has not been included as a liability in the financial statements.

## 5 Earnings per share

The calculations of earnings per share are based on the following profits and number of shares:

	6 months ended 31 December 2023 (unaudited) £000	6 months ended 31 December 2022 (unaudited) £000	Year ended 30 June 2023 (audited) £000
Retained (loss)/profit for the period attributable to equity holders of the parent	3,082	1,506	4,461
	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>
	'000	'000	'000
	Number	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	47,420	47,227	47,247
Share options	1,404	723	111
	48,824	47,950	47,358
Earnings per ordinary share			
Basic (pence)	6.50p	3.19p	9.44p
Diluted (pence)	6.31p	3.14p	9.34p
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Retained profit for the financial year attributable to equity holders of the parent	3,082	1,506	4,461
Adjustments:			
Impairment of intangible assets	-	-	-
Share-based payments	691	688	1,061
Tax on share-based payments	341	-	(483)
Net adjustments	1,032	688	578
Adjusted earnings	4,114	2,194	5,039
Adjusted basic earnings per ordinary share (pence)	8.68p	4.65p	10.67p