GRAFT POLYMER

COMBINE INCOMPATIBLE

LONDON LISTING PRESENTATION 2022

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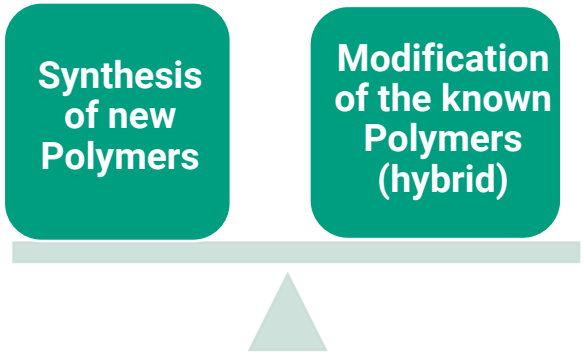
POLYMER GLOBAL PROBLEM AND MARKET CHALLENGES

An increase in global demand for polymer materials, driven costs, improved performance and environmental advantages could be satisfied by two solutions:



Market challenges in the field of composite materials:

- Finished Product weight reduction
- Finished Product cost management
- A synergy of the best properties of composite components
- Environmentally responsible production process of the composite material
- Industrial scalability of modification technologies
- Finished Product durability and recyclability to increase lifespan, reduce plastic waste

ESSENCE OF POLYMER MODIFICATION

Many polymers are **immiscible** and **incompatible** by nature.

Polymer modification can solve this problem.

As a result, it is possible to develop **new composite products** which, due to the materials being previously incompatible, have the following physical and chemical features:

- Impact resistant
- Abrasive resistant
- Fire retardant
- Chemical resistant
- Low/high temperature resistant
- Controlled barrier properties

GRAFT POLYMER – HISTORY

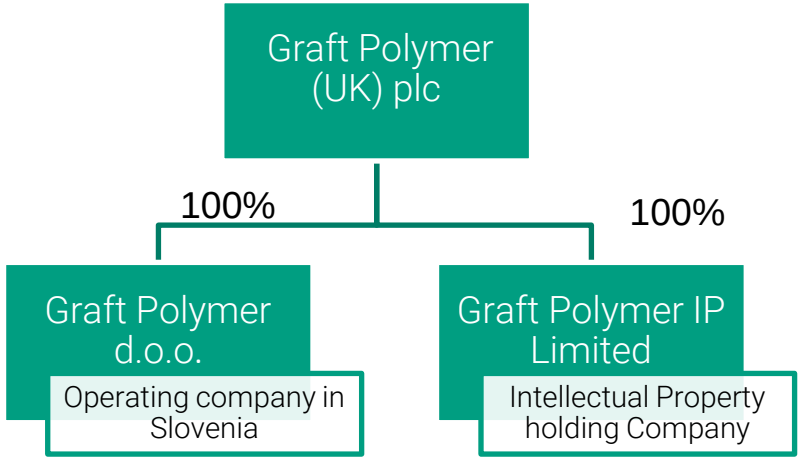
- Graft Polymer ("GP") is a UK incorporated company, founded in 2017
- The core business comprises of the development and production of polymer modifiers and drug delivery systems
- GP has introduced more than 50 products to the market since 2018
- An innovative research manufacturing facility was constructed and commissioned in Slovenia during 2018
- The company uses a diverse range of modification technologies to combine incompatible components in polymer composites
- GP has ESG credentials, and produces a special "Eco-friendly" line of compatibilisers (based on industrial clean scrap) for recycler clients
- In 2020, GP launched a new BIO division to develop IP for med-tech product developments, including a nano tech drug delivery system ("DDS")

WHAT MAKES GRAFT POLYMER UNIQUE

- **Proprietary initiating systems** allow GP to produce some of the most sophisticated graft polymer modifiers currently known in the polymer industry
- A high purity and consistent quality of modifiers is ensured by **"living"** radical polymerisation with controlling **nitroxide agents**
- Creation of **polymer alloys** with co-continuous **nano-morphology**
- Thermoplastic-thermoset **polymer hybrid composites** with interpenetrating polymer networks **(IPN)** approach
- Novel **thermo-reversible** and **"vitrimer"** type crosslinking polymers with high service temperature
- **"Smart"** polymers: with **self-reinforced** and **self-healing properties**
- In-house synthesis of "**nitroxide stable radicals**" (TEMPO) for high-tech composite materials – proprietary process

CORPORATE SUMMARY

- IPO on the London Stock Exchange
- Listing target: Dec 2021
- Broker: Turner Pope Investments



	Shares (mn)
Existing & performance shares in issue	70
Convertible loan note shares issued	14
Shares @ LSE IPO	21
Total Shares in issue	105
Post-IPO market cap	£23.9m
Ent value	£15m

Use of net proceeds	Amount of net proceeds
Additional production line and further expansion	£2.0m
Investments relating to HACCP and GMP certification	£0.6m
Lab upgrades and research and development costs and future IP registration	£0.7m
Sales and marketing and general corporate purposes	£0.8m

BOARD OF DIRECTORS

Victor Bolduev

Founder & CEO

Victor is the founder of the Group with over 20 years of international polymer industry experience, particularly in polymer modification. Victor is the author of 11 patents in the polymer modification and pharmaceutical sectors and has developed several products brands for various polymer projects.

Roby Zomer

Non-Executive Chairman

Roby is an entrepreneur with +10 years' experience in the biotech and renewable energy sectors. Roby led Israeli regulation for Alternative Energy and is Managing Director of MGC Pharmaceuticals, (LSE/ASX:MXC).

Pavel Kobzev

Executive Director & CMO

Pavel has more than 10 years of experience in project management and markets analysis. He served in the Israeli Defence Forces Elite Intelligence 8200 unit as Managing Operations Leader and has specific expertise in the security solutions and design industries.

Yifat Steuer

Executive Director & CFO

Yifat is a well-versed CFO with 20+ years' experience ranging from global blue-chip companies to hands-on implementation in SMEs/start-ups. Yifat is a qualified CPA, with a proven track record in pharmaceuticals, manufacturing, logistics, distribution, medical technology, and digital health SMEs.

Alex Brooks

Independent Non-Executive Director

Alex is a financial analyst, currently with Canaccord Genuity Ltd (UK), who focusses on publicly traded industrial technology companies in a number of sectors, notably energy, healthcare and chemicals.

OPERATIONAL TIMELINE

March 2018

- Production installation of plant completed
- Establishment of European manufacturing facility with qualified staff

August 2018

- First commercial sales to various polymer compounders

August 2019

- The business model with more than 50 products created across 5 divisions
- First commercial orders and revenues

January 2020

- Customised product developments and halogen-free flame retardants (HFFR) product line
- First commercial orders and revenues from EU auto clients

August 2020

- Establishment of new division DDS (Drug Delivery System)
- New Product development in different industries

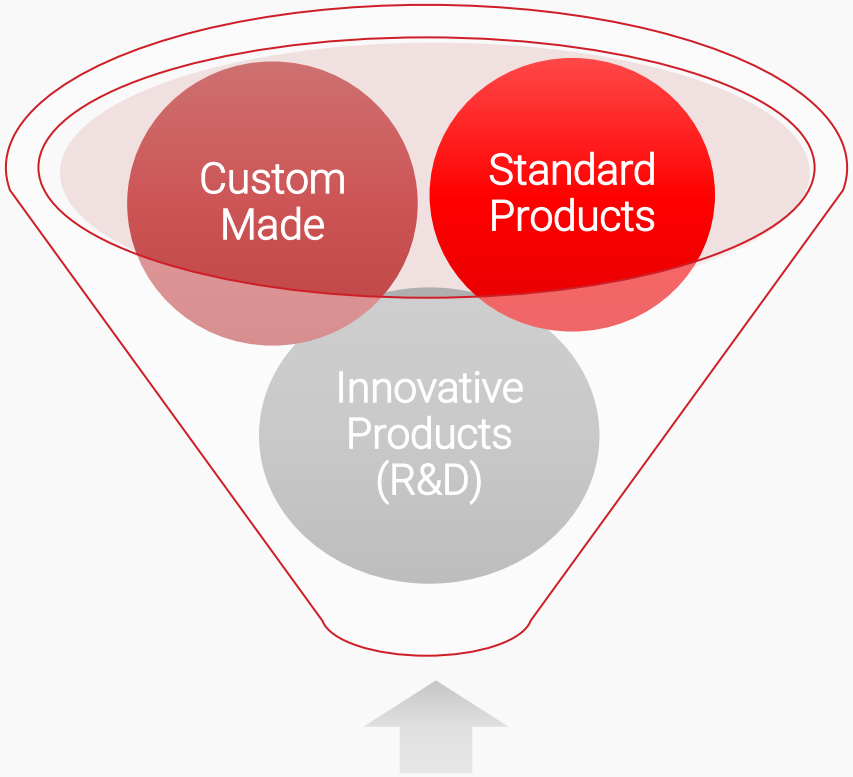
March 2021

- Expansion of the distribution network
- Successful first phase results for the DDS products
- Royalties' agreement with MGC

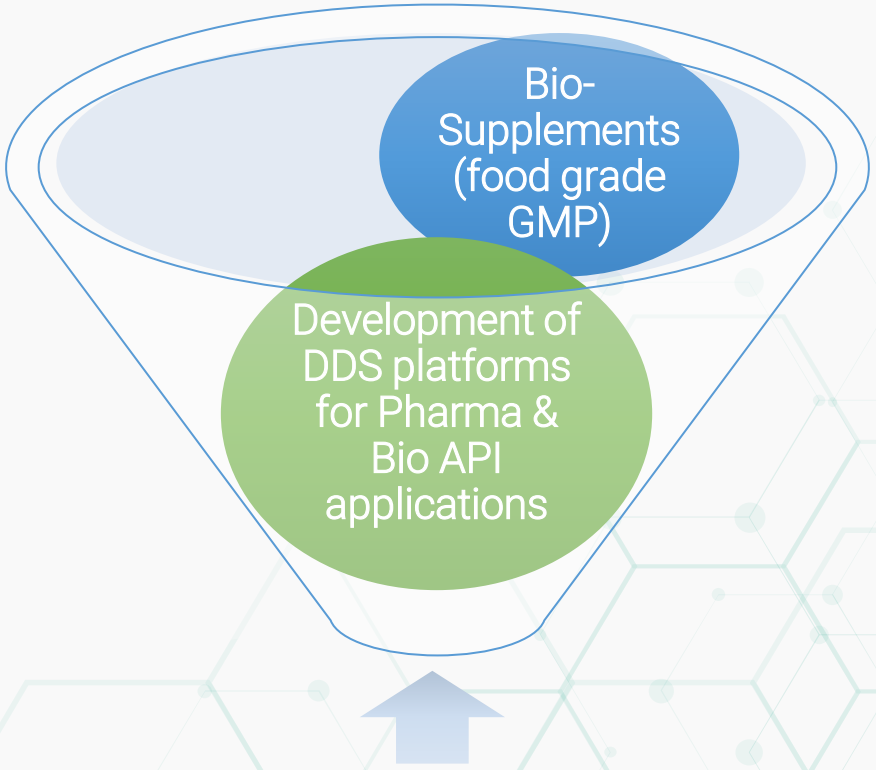
Aug 2021

- GraftBio outline agreement with Swiss Bio Tech
- First revenue received from Swiss Bio Tech

THE GROUP'S DIVISIONS



POLYMERS DIVISION



BIO DIVISION

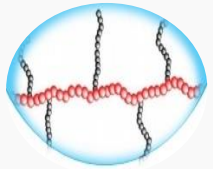
POLYMERS BUSINESS MODEL: STRUCTURE AND FEATURES

- Comprehensive
- Innovative
- Flexible

GRAFTING

GRAFTABOND™
a line of *graft / block copolymers* (adhesive agents) for combining various polymers.

GRAFTAKIT™
reaction liquid *super concentrates* on *polymeric porous* media for carrying out reaction extrusion and modification of compounds directly "at the customer's production line".



ALLOYING

GRAFTALLOY™
a line of "*polymer-polymer*" *nano-alloys* to increase abrasion resistance, temperature resistance, impact strength, reduce friction coefficient.

GRAFTAMID™
a line of high-temperature elastomers based on *nanostructured polyolefin-polyamide alloys* for high-tech hardening modifiers in polyamide compounds.

CROSSLINKING

GRAFTAMER™
unique so-called "smart polymers" (*thermally reversible* cross-linking, *self-hardening, self-healing*, polymers with "shape memory").

GRAFTAKIT™
reaction liquid *super concentrates* on *polymeric porous* media for carrying out reaction extrusion and modification of compounds directly "at the customer's production line".

SYNTHESIS

GRAFTASYNT™
a line of *synthetic* products, including HFFR flame retardants (*halogen-free*).

POROUS

GRAFTAPOR™
a unique line of *porous* (80-120% porosity) polymer *carriers* for many liquid chemicals absorption.

BIO BUSINESS MODEL: STRUCTURE

DDS | Micro & Nano capsulation

Graft Polymer Slovenia is currently conducting research on smart nanostructured materials to deliver drugs to target sites with the aim of reducing dosage frequency and in a controlled manner, to mitigate the side effects experienced with traditional therapies.

GP Drug Delivery Platforms
GraftBio™

- **Nano-micellar**
  - *GraftBio™ SNEDDS Nano-emulsion plarform for various API*
- **Nano-capsule**
  - *Grafted PCL nano particles (solvent evaporation - W/O emulsion method)*
- **Porous nano-reservoir**
  - *SYNTETIC biodegradable porous reservoir*
  - *NATURAL organic biodegradable porous reservoir*
- **Bio-gel**
  - *Bio-material for substitution of human tissue*
- **Dendrimers**
  - *Hyper Branched Polymers*

GRAFTBIO™
Bio Synthesis (a bio synthesis site) for Drug Delivery Systems (DDS) developments

GP will have Food GMP production facilities 2021-2022

ESG IN GRAFT POLYMER

Environmental

- Performance improvement of customer products
- Carbon footprint reduction
- Maximum recyclability of components at end-of-life

Social

- Health, safety and welfare is a priority
- Numerous health, safety and environmental (HSE) requirements in the jurisdictions in which the Group conducts its business
- Sustainable communities
- Commitment to sponsor a person with disabilities for every 20 Graft Polymer Slovenian employees

Governance

- Culturally, geographically, ethnically, and gender diverse Board of Directors

GRAFT POLYMER 'GREEN' ECO CREDENTIALS

Graft Polymer operates a manufacturing facility and produces a specific ECO line of compatibilisers (based on industrial clean scrap) for recycler clients.

- "Clean recycling scrap matrix" - GP is using a clean scrap raw materials from one of the largest recycling collectors in EU during the production of "ECO LINE" modifiers
- Closed system loop - modern processing techniques are used during the modified polymers production to minimise waste almost to zero
- Toxic raw materials are not used, we only use environmental REACH/ROHS certificated raw materials in our process
- Production of specialised recycling polymer additives increases the strength of recycled blends and plastic products for plastic waste
- Our proprietary co-agents and redox initiating system are used during the grafting process which improves efficiency and allows a decrease in the dosage by between 40% and 50% to the end client

IP DEVELOPMENT STRATEGY

SWISS APPRAISAL
We Value Your Success

EXECUTIVE SUMMARY

In accordance with the Consulting Service Contract No.17-20448 dated February 14, 2017, Swiss Appraisal Russia, LLC (hereinafter referred to as the Expert) determined the fair value of the Valuation Object. For the purposes of the present Expert Opinion, the Valuation Object is defined as the use right for a know-how:

- Solid Phase Grafting Technology;
- Technology of Melt-Processible Ultra High Molecular Weight PE production;
- Surface-modified polymer particles (hot ozonolysis (plasma) modification);
- Self-Reinforced Polymers Flow – Induced Crystallization;
- Polymer Alloys (compatibilised);
- Thermoreversible Cross-linking.

The Valuation Date: March 1, 2017.

The purpose of the Expert Opinion is to determine the Valuation Object's fair value. In accordance with the Consulting Service Contract, the valuation results intended use is for the purposes of disclosure of an asset at fair value for contribution to an authorized capital

The fair value was defined in accordance with the International Valuation Standards (IVS) 2017 developed by the International Valuation Standards Council (IVSC).

Having analyzed the available information, the Expert is able to conclude that, with a view of the assumptions admitted and the restrictions stated, the Valuation Object's fair value as at the Valuation Date (March 1, 2017) approximately amounts to (VAT exclusive)

US $ 189 564 000

(One hundred eighty nine million five hundred sixty four thousand) USD

The Group has a layered IP strategy that seeks to protect its proprietary know-how, as is usual in the polymer industry.

All intellectual property of the Group is held by Graft Polymer IP (a fully owned subsidiary of GP).

The Group holds several patent applications.

- Patent Application № P-202100024- Super-saturable self-nano emulsifying drug delivery system (SNEDDS) for poorly water-soluble pharmaceutical compositions and method of its preparation
- Patent Application № SIPO P -202100132- Cannabinoids-Ionic complex self-nanoemulsifying concentrate and method for preparation thereof
- Patent Application № P-202100044- Method for industrial production of modified polymers and device for its realisation
- Patent Application № P-202100047- Method for production of modified polyolefin

GP continues to develop new technological methods in the polymer and DDS activities that will lead to further parent submissions during 2022.

GPs BUSINESS MODEL: COMPREHENSIVE & INNOVATIVE

TECHNOLOGIES	Slovenia	Israel	Italy	Germany	USA		France	Czech	India	China
Flow induced crystallisation	✔									
Solid Phase Grafting	✔			✔						
Solution Grafting	✔				✔	✔	✔			✔
Fillers Treatments	✔									
Powders Hybridisation	✔						✔			
Hot ozonolysis/plasma mod.	✔									
Nitroxide Mediated Polymerisation	✔						✔			
Reactive extrusion	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Alloying	✔	✔				✔	✔		✔	
Crosslinking	✔					✔		✔		
Micro/Nano Porous polymer	✔									
Drug Delivery Platforms	✔									

TARGET MARKETS

Recycling

- Compatibilisers for mixed color and polyofin scrap
- Compatibilisers for blow moulding
- Chain extenders
- Melt Flow regulator for PP
- Melt Flow enhancer for PE

Pipes

- Impact modifiers for rigid PVC
- Impact modifier for producing PE125
- Abrasion resistant polyethylene
- Masterbatch for high melt strength PP
- Products for thermo -reversible crosslinking

Cables

- HFFR additives
- Masterbatches for processing aid
- Masterbatches for crosslinking
- Stand-alone cable compound
- Additives for increasing thermo-mechanical properties
- Vitrimers
- PVC Modifiers

PVC

- Compatibilisers for PVC compounds
- Additives for internal plasticisation, resistance to UV and heat resistance
- Modifiers of the hardness for rigid PVC
- Additives for shock resistance frost resistance
Impact modifiers

Automotive

- Impact modifiers for PA reinforced compounds
- Coupling agent for PP reinforced compounds
- Impact modifiers for polyesters reinforced compound

Rotomoulding

- Masterbatches for crosslinking
- PE, PP grafted powders
- Graftalen waxes for pigments dispersion

Hot Melts

- Compatibilisers
- Grafted wax
- Adhesion enhancement
- Thermal properties enhancement

Anticorrosive Coating

- IPN type adhesive for pipe coating
- Adhesive systems for the pipe coating
- Grafted waxes on the base of PE, PP as component of “Hot-Melt” for pipe coating

WPC

- Coupling agents for:
  - PVC based WPC
  - PE-based WPC
  - PP-based WPC
- HFFR additive

Non-Woven

- Super Hydrophilic MB
- Super Hydrophobic MB
- Melt-Flow regulator PP nonwovens
- Reactive MB for High Melt Strength Polypropylene

Pharmaceutical

- Nanocarriers for Drug Delivery System

Masterbatch Production

- Porous Polymer carriers in granules

MARKETS VOLUMES

The global hot melt adhesives market was valued at US$6.7 billion in 2019 and is estimated to be growing in value at over 5%. per year.

The global PP nonwoven fabrics market was estimated at US$40.5 billion in 2020.

Coupling Agents have historically been a key component in the industrial packaging market, which was valued at US$59 billion in 2019 and is estimated to have long-term growth.

The global PEX market was estimated at US$5.5 billion in 2020 and is estimated to have long-term growth in value above 7%. per year.

The global impact modifier market was estimated to be worth US$3.9 billion in 2020 and is expected to grow at around 5.8% *[per annum on an ongoing basis]*.

The global DDS market was USD$26.08 billion in 2019 and is projected to reach USD$45.20 billion by 2027.

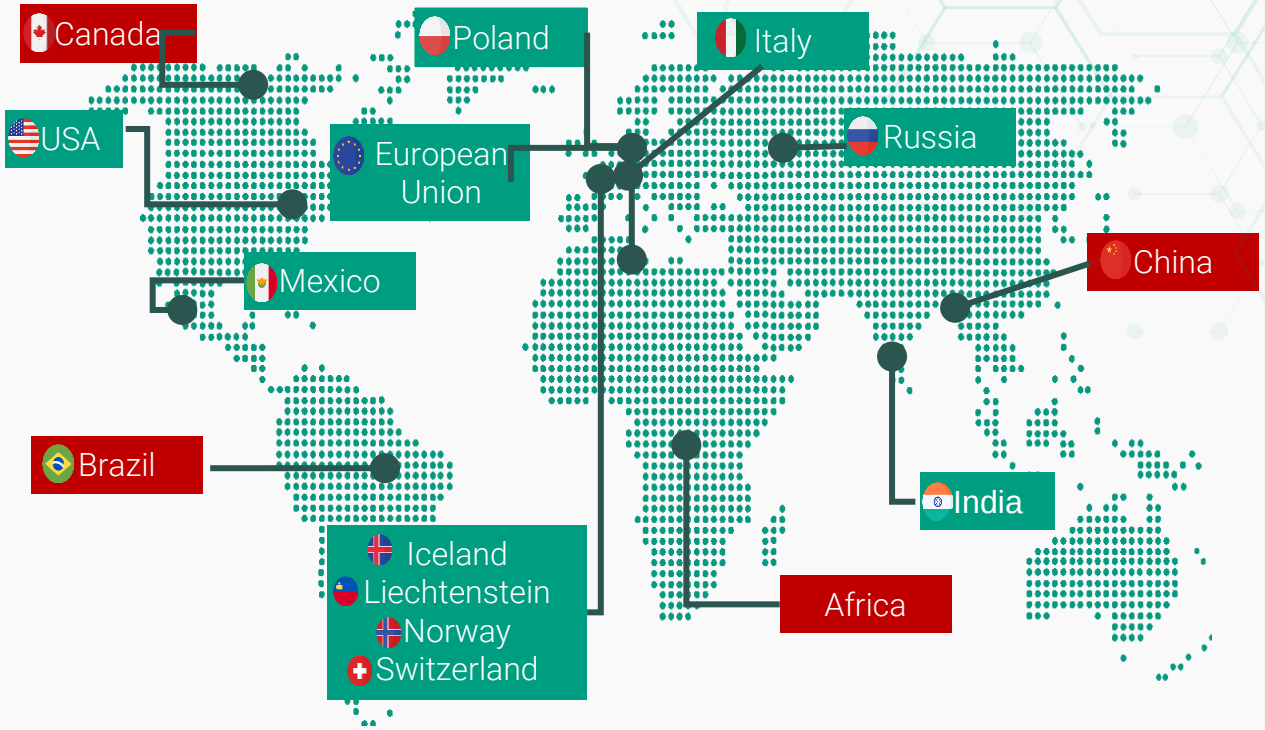
The global Rotomoulding Powder market was estimated at US$1 billion in 2020 and has long-term growth above 15% per year.

The HFFR market was estimated at US$4.1 billion in 2020.

DISTRIBUTION NETWORK

Model focused on maximising distribution/sales and market visibility globally

Sales professionals in place supported by management team to execute



Active agents / companies

In progress with potential distributors

12 TO 24 MONTHS STRATEGY

Investment in production equipment and laboratory equipment

Application for further patents to protect key IP

Expansion of the Group's distribution network

Entry into collaborations with refiners

Investment in a food grade GMP plant and R&D laboratories

GP INVESTMENT PROPOSITION

- Comprehensive TECHNOLOGIES for Polymer Modification
- Innovative PRODUCTS pipeline
- REVENUE generating business, with strong future sales pipeline
- Protected IP PORTFOLIO, and patent applications underway
- R&D and Manufacturing FACILITY, fully operational
- Growing global DISTRIBUTION NETWORK
- Experienced MANAGEMENT TEAM with proven track record in polymer and financing

GRAFT POLYMER
COMBINE INCOMPATIBLE

THANK YOU

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