

Graft Polymer (UK) plc

Graft Polymer is active in a number of multi-billion dollar polymer modifier and drug delivery system markets which are expected to sustain strong annual growth for the foreseeable future. With an existing offering of more than fifty different products, the Group's core expertise centres on a wide range of proprietary techniques that enable customers to achieve better performance characteristics at comparable or lower cost than available through competitors. Its abilities are particularly recognised in grafted, nano-structured and crosslinking polymer alloys along with a variety of delivery vehicles for pharma and biotechnology applications. In conjunction with the Group's LSE Main Market Admission on 6 January 2022, a Placing and Subscription ('the Placing') of c.2.32 million new ordinary shares at 21.5p each raised approximately £5 million (gross) in order to fund expansion of Graft Polymer's research and production facility, upgrade existing laboratories, accelerate growth and increase both inventory and marketing abilities. Turner Pope acted as Sole Broker in relation to the Group's Placing and Admission.

Use of Funds

The fund-raising net proceeds of approximately £4.15 million will be directed to fund accelerated growth, capitalise on an extensive existing commercial pipeline, expand Graft Polymer's research and production facility in Slovenia to meet rising customer demand, upgrade existing facilities to enable future IP registration, and increase both inventory and marketing opportunities following expected increased sales.

Addressing multi-billion dollar markets

The Group addresses a number of major, expanding industrial and consumer markets to which it can add value and potentially secure substantial, long-term international supply/licensing contracts. Breaking these down into their individual specialist segments highlights the scale of the available international opportunity. The global impact modifier market, for example, was estimated to have a value of US\$3.9 billion in 2020 which is projected to rise to US\$5.0 billion by 2025E. Coupling agents, an area in which Graft Polymer considers it has a core skillset, alone offer a commercial opportunity projected to be as much as US\$614.1 million by 2023E, registering a CAGR of 3.5% over the forecast period. In 2017, the market size for global hot melt adhesives was valued at US\$6.9 billion, rising to US\$9.46 billion by 2022E at a CAGR of 6.5%, while the global polypropylene nonwoven fabrics market size by 2026E has been estimated at US\$55 billion. Similarly, the 2020 worldwide cross-linked polyethylene market size was estimated at US\$5.5 billion, that of the rotomoulding powder market size was estimated at US\$15 billion, halogen-free flame retardants at US\$4.1 billion and international drug delivery at US\$26.08 billion in 2019 beyond which it is projected to reach US\$45.20 billion by 2027E. See Appendix 7.0 for additional detail/original sources of information.

Extensive Commercial Pipeline

Graft Polymer presently has a strong commercial contract pipeline and is in advanced negotiations with various different partners from multiple industries for technology licensing agreements/long-term supply arrangement. These presently centre on significant relationships with Washington Penn (part of the Audia Group, which sells into the VW/Audi supply chain), Swiss Biotech (which operates in the field of nutraceuticals) and MGC Pharmaceuticals Limited (a European focused biopharma company); it is also in final testing phases with a list of major sector players that could potentially deliver ongoing annual volumes of 120mt, each potentially delivering revenues in excess of €1m/year.

Stock Data

Share Price:	21.8p
Market Capitalisation:	22.7m
Shares in issue:	104.1m
52 week high/low	22.5/21.6

Company Profile

FTSE Sector:	Chemicals
Ticker:	GPL
Exchange:	LSE Standard Listing

Activities

Graft Polymer (UK) plc ('Graft Polymer', 'GPL' or 'the Group') is a specialty chemical business with an extensive portfolio of modified polymer solutions based on proprietary production methods.

www.graftpolymer.com/

Share price performance chart since 6/1/2022



Past performance is not an indication of future performance.

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Barry Gibb
Research Analyst

TPI was confirmed as sole broker to Graft Polymer (UK) plc upon Admission.

Attention is drawn to the disclaimers and risk warnings at the end of this document.

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Graft Polymer - A unique suite of polymer modification technologies

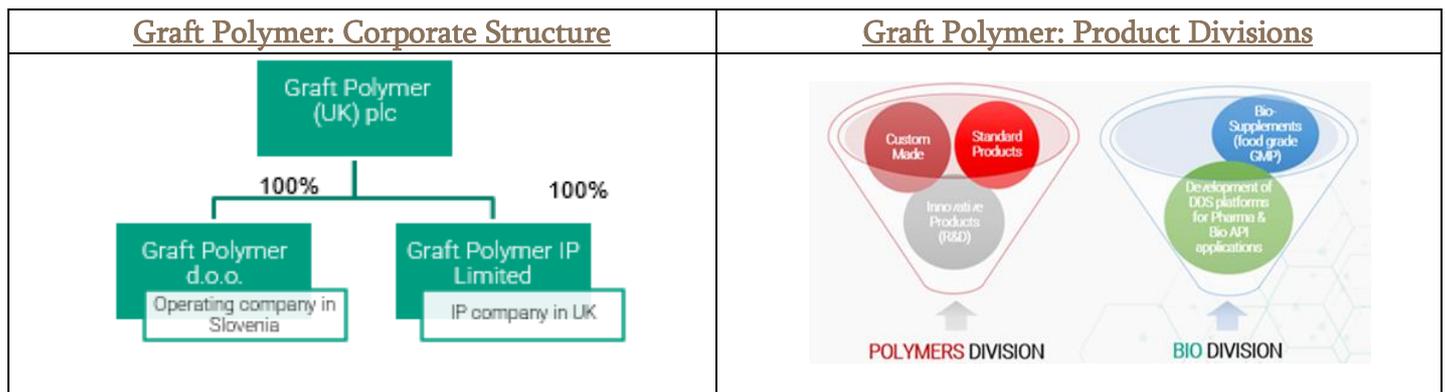
Graft Polymer is a UK incorporated holding company with an innovative research and manufacturing facility based in Slovenia. Its core business comprises development of polymer modification processes and drug delivery systems. Established in 2017, the Group has already introduced more than 50 products to the international market. In particular, these include: grafted polymer modifiers; nano-structured and crosslinking polymer alloys, as well as a variety of delivery vehicles for pharma and bio applications. The Group has developed a unique suite of proprietary polymer modification technologies and techniques, which can improve existing products and processing methodologies by enhancing performance, simplifying manufacturing, reducing material consumption, widening the choice of feedstocks and reducing costs. Highlighted amongst these are:

-  Proprietary initiating systems which allow production of some of the most sophisticated graft polymer modifiers currently known in the polymer industry
-  A high purity and consistent quality of modifiers ensured by “living” radical polymerization through controlled 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 ‘vitriimer’-type crosslinking polymers with a high service temperature
-  ‘Smart’ polymers with self-reinforcing and self-healing properties, including in-house synthesis of unique ‘nitroxide stable radicals’ (‘TEMPO’) for high-tech composite materials

Source: Graft Polymer Prospectus

Graft Polymer’s techniques allow the combination of otherwise incompatible polymers, facilitating the creation of polymer composites engineered at a molecular level. These enable the development of significant new properties/performances of different input materials. They enable customers to enhance their existing operations and/or ingredients, meet higher societal standards for environmental performance and create new products across a wide range of end use markets, including healthcare, engineering, packaging etc. Solutions and products offered by the Group are designed to improve performance and reduce consumption of raw materials, as well as improve the physical characteristics/values of finished products or otherwise improve/modify their chemical interaction. In the past several years, there has been increased emphasis on applications of grafted polymers, which are produced by monomers being covalently bonded and polymerised as side chains onto the ‘backbone’ of the base polymer molecule.

In 2020, the Group launched a new division, named GraftBio, to develop IP for bio/pharma applications, including a drug delivery system (‘DDS’) to support and provide solutions to a market that was urgently seeing new innovative approaches to help cope with the COVID-19 pandemic, while accelerating growth in the infectious diseases segment of the industry. Although the GraftBio division does not currently have a manufacturing facility and therefore does not produce or create any of its own products, it engages in development and licensing/sale of IP. As a result of this, the Group has licenced its DDS platform IP to MGC Pharmaceuticals Limited (LSE: MXC, ASX: MXC) in relation to its CimetrA™ and CannEpiL-IL™ products. These are expected to generate royalties for the Group, and to a Swiss wellness brand company, resulting in the generation of relatively near-term revenues.



Source: Graft Polymer Corporate Presentation (November 2021)

Graft Polymer - Use of funds and reason for LSE Standard Listing

Funds have been raised at the time of Graft Polymer's Initial Public Offering ('IPO') on the London Stock Exchange's Main Market in the form of a Standard Listing were c.£5.0 million (gross). The net proceeds receivable by the Group are principally to be directed to fund provision of additional production capacity, certified laboratory facilities, research & development, IP registration, marketing and associated general corporate purposes, with spending over the next 12 to 24 months as follows:

Graft Polymer (UK) plc Proposed Workstream Expenditure	Amount (£)
Additional production line and further expansion	2,000,000
Investment in a Hazard Analysis Critical Control Points ('HACCP') and Good Manufacturing Practice ('GMP') certification, laboratories for drug delivery system ('DDS') development	600,000
Lab upgrades and research and development costs and future IP registration	700,000
Sales and marketing and general corporate purposes	900,000
Estimated cost of Admission onto the LSE's Standard List	800,000
TOTAL	5,000,000

Source: Graft Polymer Prospectus, TPI estimates

Core Development Strategy

- Investment in production and laboratory equipment to support the growth, permitting a doubling of capacity while allowing it to continue to develop new technologies to provide products, solutions and regularly updated ranges to enable its customers improve their existing offerings/processes
- Following its application for five patents in 2021, a number of further submissions are expected to follow as well as extending the reach of its existing patents by broadening their registration into other jurisdictions
- Expansion of the Group's distribution network to allow it to both broaden its international reach while also enhancing global recognition of its branding and trademarks in the core polymer modifier market
- Entry into collaborations with refiners (large enterprises that produce virgin polymers as commodities), compounders (which produce composites, mixtures of virgin polymers, modifiers, and/or fillers) and processors (which produce, for instance, film and pipes) for mutual development and production of grafted products, to help satisfy increasing demand on major international companies for new and enhanced products, with a particular focus on automotive projects
- Investment in a food grade GMP plant and R&D laboratories in Slovenia to allow for the expansion of the Group's GraftBio division. The GMP plant and laboratories will allow it to further develop these platforms based on customers' specifications

Prioritising research & development

Graft Polymer's principal research & development facilities are based in Slovenia. From here, the Group has developed modification solutions that overcome the well-known drawbacks of existing technologies and also offer customers the potential to create unique industrial processes based on synergism of its proprietary methods. The Board* believe it has one of the most comprehensive, innovative and flexible product ranges in the field of polymer modification. The deployment of a new created polymer composition to be applied to a specific application or for a unique outcome could typically take up to five years, requiring extensive investigation into the impact of the additive on the manufacturing process and characteristics of the finished product.

*Refer to Appendix 1.0 for a complete description and background of Graft Polymer's Board of Directors

High focus on ECO credentials/environmental, social and corporate governance policy ('ESG') *

- The production of the Group's 'ECO' line modifiers incorporates the use of clean scrap raw materials
- Modern processing techniques are used during production of modified polymers to minimise waste to almost zero
- Toxic raw materials are not used; the Group uses only environmental REACH and ROHS certificated raw materials
- Production of specialised recycling polymer additives increases the strength of recycled blends and plastic products for plastic waste

*Refer to Appendix 9.0 and 10.0 for additional detail regarding Graft Polymer's ECO credentials and ESG policy

- Proprietary co-agents and redox initiating system are used during the grafting process, which improves efficiency by reducing the work required by the compounder between 40% and 50%, compared to those used in analogous, low graft products available elsewhere on the market.

Graft Polymer (UK) plc's pre-Admission capital structure

Beneficial Shareholder*	Role	% Ord. Shareholding
Victor Bolduev	Chief Executive Officer and Chief Technical Officer	42.14%
Alba Capital Pty Ltd ²	Beneficially owned and controlled by Mr Craig Burton.	15.67%
Platypus Assets Pty Ltd ³	Beneficially owned and controlled by Mr Brett Mitchell and Mrs Michelle Mitchell, a connected person of Mr Mitchell's.	8.93%
Freya Holding Limited ¹	Beneficially owned/controlled by Mr Roby Zomer, a Graft Polymer Director.	6.07%
Concert party: Remaining members	Concert party member	7.04%
Other Investors	c.26 unconnected individuals/parties holding <3% of Group's voting capital	20.15%

*Although no individual Shareholder owns or controls the Group, a presumption exists pursuant to the Takeover Code that each of Victor Bolduev, Roby Zomer, Anthony Eastman, Tim Wise, Brett Mitchell, Craig Burton, William & Diane Mitchell and Michelle Mitchell, who, together, hold 79.85% of the voting rights attached to the Ordinary Shares are 'acting in concert'; following Admission this concert party will hold 61.27%.

¹Beneficially owned and controlled by Mr Roby Zomer; ²Beneficially owned and controlled by Mr Craig Burton; ³Beneficially owned and controlled by Mr Brett Mitchell and Mrs Michelle Mitchell
Source: Graft Polymer Prospectus

To date, the primary capital expenditure of the Group has been in relation to the establishment of the production and development facilities in Slovenia during early 2018, with additional small items of plant and equipment being acquired in order to support these facilities. Initially financed through seed capital raising which saw the Group receive £1.332m in funding, net of expenses. Subsequently, in 2020 the Group raised net £0.656m (comprising gross rounds of €515,515 and £197,000) from convertible loan financing ('CLNs'), with the majority having been provided by existing shareholders. During the six months to 30 June 2021, the Group raised an additional £0.15m from convertible loan financing along with a further £0.15m subsequent to the period end. All CLNs were due to be converted into Graft Polymer equity upon Admission on varying terms, with the £0.15m of the 2021 issuance being fixed at 80% of the price per share upon IPO and the subsequent £0.15m being fixed at 90% of the price per share upon IPO.

Graft Polymer plc's expected post-Admission capital structure

Beneficial Shareholder	% Ord. Shareholding ¹
Existing shareholders ²	68.8%
Conversion of Convertible Loan Notes ² and accrued fees	10.3%
IPO Equity Placing	20.9%

¹Estimated ²Formal lock-ins covering all existing shares, conversion shares and agreed fee conversions (other than those with less than 300,000 shares) confirmed in Prospectus comprise: 6 months hard lock and 6 months orderly market agreement for

founders and Trust Shareholders; 12 months orderly market agreement for Seed & CLN shareholders and agreed fee conversions.

Source: Graft Polymer Prospectus, Corporate Presentation (November 2021), TPI estimates

Graft Polymer's Board recognises the importance of share participation as a mechanism for recruiting, incentivising and rewarding Executive and Non-Executive Directors and employees. Details of the awards and options over Ordinary Shares granted to Directors, Senior Management and employees pursuant to the above, which take effect from Admission, are set out in paragraph 10 and 11 of Part 11 of the Prospectus 'Additional Information'. Also conditional upon Admission, the Group established, and the Board has adopted, the share incentive plans as detailed in paragraph 26 of Part 8 'Information on the Group', under which rights over Ordinary Shares will be granted.

Graft Polymer (UK) plc's corporate advisors

Broker to the Group	Turner Pope Investments (TPI) Ltd, 8 Frederick's Place, London EC2R 8AB
English legal adviser to the Group	RBG Legal Services Limited, trading as Memery Crystal, 165 Fleet Street, London EC4A 2DY
Slovenian legal adviser to the Group	Selih & Partnerji, Komenskega ulica 36, 1000 Ljubljana Slovenia
Reporting accountant & auditor to the Group	PKF Littlejohn LLP, 15 Westferry Circus, London E14 4HD
Registrar to the Group	Share Registrars, The Courtyard, 17 West Street, Farnham GU9 7DR
Registered office of the Group	Eccleston Yards, 25 Eccleston Place, London SW1W 9NF

Source: Graft Polymer Prospectus

Technological challenges faced by the global polymer industry

Scientific-technological progress requires the possibility to create materials for various applications with “well-defined engineering properties”, as a rule – “synergetic properties” that can be achieved mostly by two ways:

Synthesis of New Polymers or Modification of Existing Polymers



Source: Graft Polymer Prospectus

Understanding that it is virtually impossible to synthesis a New Polymer that fully meets international market requirements for ‘Synergism of Properties’, the only viable and cost-effective industrial route to address this challenge I through modification of existing polymers. Many polymers are immiscible and incompatible by nature. Polymer modification can meet such challenges delivering, through a range of techniques, properties that finish and enhance the commodity product, frequently resulting in an entirely new molecular architecture. The oldest and possibly most familiar example being the process of vulcanisation of rubber, which transforms a virtually unusable material (natural rubber, polyisoprene) into one with valuable engineering properties (i.e., rubber for numerous uses, including vehicle tyres, waterproofing etc.). The global industry has identified a vast range of additional modification types for different composite materials and, within this, Graft Polymer has developed its own proprietary techniques to enable various means of rapid modification/manipulation in accordance with its customer’s requirements.

Typical Customer Challenges in the Field of Composite Materials



Source: Graft Polymer Prospectus

Also known as an impact modifier, compatibilizer, coupling agent, or functionalised polymer, a polymer modifier is a polymeric material with a functional unit mounted onto the backbone of the base polymer in order to form a new composite material. Polymer modifiers allow fillers such as glass, nanoclays, talc and calcium carbonate to be chemically bonded to the base polymer or, alternatively, a different polymer within the finished blend in order to become compatible with one other. They help to improve the characteristics of, for example, various thermoplastic polymers by providing durability, strength, rigidity and/or other properties, including temperature/weather resistance, chemical resistance, specific fire behaviour, plasticity and/or improved solubility etc. Optimisation of such characteristics generates increased demand among customers compared with standard base materials or modifiers, thus boosting interest in proprietary techniques available across the wider market for composite materials.

Developing Composite Materials with a Unique Combination of Physical and Chemical Features



Source: Graft Polymer Prospectus

Graft Polymer - Implementing its business plan

The Group's strategy and business plan hinges on the successful implementation of certain key operating assumptions and is subject to various sensitivities. These include:

- Continuing to develop intellectual property and technologies to provide novel products and new solutions for new market challenges and retain the Group's key intellectual property creators/innovators. The Directors have assumed that Graft Polymer will be able to successfully develop such outcomes which will be attractive for use in core polymer market, across a range of sectors.
- Expanding the Group's share of its core polymer modifier market using key international distributors. In addition to direct customer sales, it will retain such relationships with multiple partners globally, including agents in Europe, India and Russia.
- Development of deep, long-term collaborations with several large sector players/refiners for mutual commercial interest and production of grafted products. Part of the Group's strategy is to collaborate with key stakeholders or specialists in specific industry sectors, in order to develop, manufacture and distribute new products into industries alongside well-known or leading participants.
- To be closely involved in product development with clients using the Group's products and technologies to secure long-term orders. Part of its strategy is to develop polymer products with key customers, which become integral to their production process and thus secure long-term demand visibility.

Offering a unique suite of polymer modification technologies

Graft Polymer's motto is 'combine the incompatible'.

In order to facilitate this, it has developed a unique suite of polymer modification technologies. These can improve existing products and processing methodologies by enhancing performance, simplifying manufacturing, reducing material consumption, widening the choice of feedstocks and reducing costs.

In particular, its techniques permit the combination of otherwise incompatible polymers, facilitating the creation of composites engineered at a molecular level that combine the attractive properties of different input materials. This enables customers to receive synergism of properties in polymer composites. Technology facilitates the improvements of the recycling material (scrap) properties, thus, helping to solve the problem of effective scrap recycling and environmental protection. Importantly in this respect, solutions and products offered by Graft Polymer are designed to improve performance as well as possessing strong energy company obligation ('ECO') credentials. For example, it uses clean scrap raw materials purchased from one of the largest recycling collectors in the EU during the production of its "ECO LINE" modifiers.

Modern processing techniques are used during the production processes to minimise waste. Instead of using toxic raw materials, for example, the Group only uses REACH and ROHS certificated raw materials. Production of specialised recycling polymer additives increases the strength of recycled blends and plastic products for waste. The Group's proprietary co-agents and redox initiating system are used during the grafting process, which improves efficiency by reducing the energy required by between 40% and 50% by the compounder as compared to systems used for analogous, low graft products available elsewhere on the market.

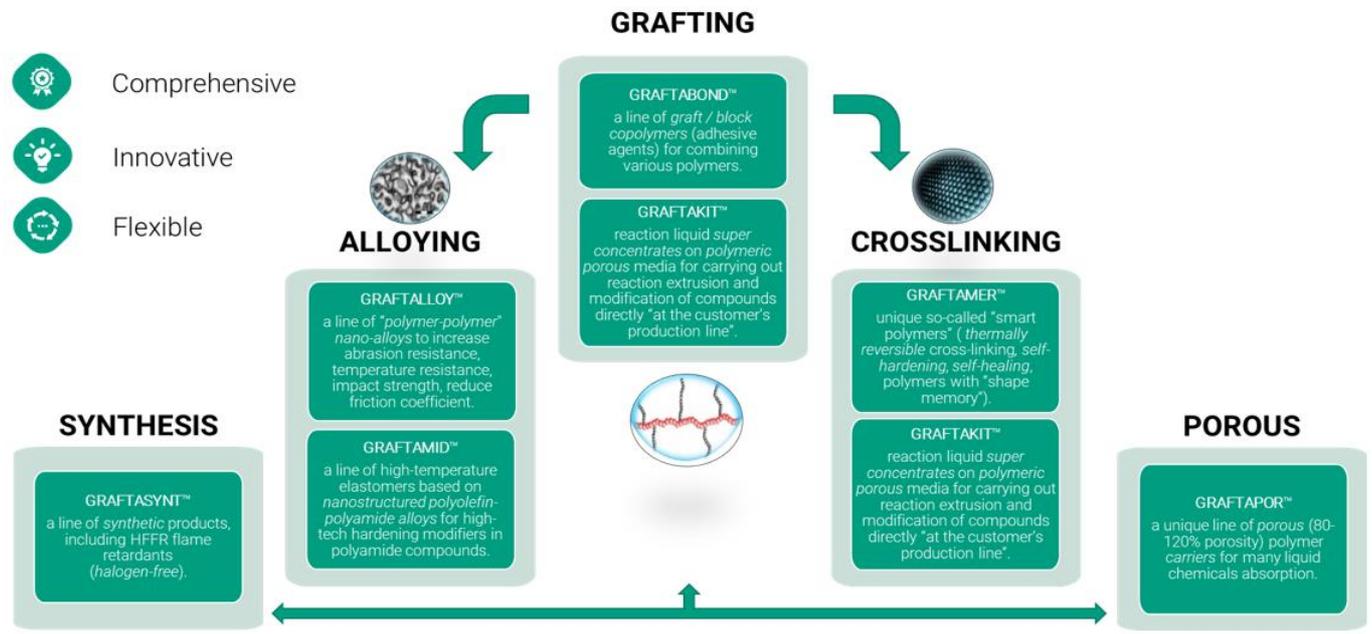
Graft Polymer adopts some of the industry's most advanced technologies, including:

Graft Polymer Employs the Industry's Most Advanced Polymer Modification Technologies

Flow induced crystallisation	Solution grafting	Powders hybridisation	Nitroxide mediated polymerisation
Solid phase grafting	Fillers treatments	Hot ozonolysis/plasma modification	Micro/nano porous polymer carries

Source: Graft Polymer Prospectus

Polymer Business Model: Structure and Features



Graft Polymer's Principal Polymer Techniques

Grafting: Graft Polymer has developed a range of techniques where different polymers, including those normally considered immiscible, can be grafted together to create composite polymers with attractive properties, including leaving behind minimal or nil post-processing residues and without creating discolouration of the finished product. Finished products can be tougher and offer superior adhesion than unmodified blends. For instance, coupling agent GRAFTABOND* PP-MAH 100025 CAFU significantly improves the adhesion and dispersion of glass fibres inside a polypropylene composite matrix, an area that the Board estimates relates to 70% of the total polymer composite market.

Alloying: The Group has developed a range of polymer-polymer nano-alloys which permit the creation of complex composites with nano-fillers, self-reinforcing/self-healing alloys and compounds. For instance, the GRAFTALLOY* and GRAFTAMID* product series can act as stand-alone compounds with unique properties as well as modifiers for other composite materials.

Cross-linking: The Group has developed three families of techniques: thermo-reversible cross-linking, novel irreversible crosslinking and interpenetrating polymer networks. Collectively, these enable the creation and tuning of multiple polymer properties, such as the welding of additional material onto a previously cross-linked substrate. For instance, product series of GRAFTAMER* TRC and particularly GRAFTAMER* VTR are amongst the most innovative trends in the polymer industry. GRAFTAMER* VTR, for example, creates a cost-effective commercial method of manufacturing vitrimers, a novel class of polymers discovered in 2011, and is able to do so from a wide range of precursors including high density polyethylene ('HDPE'), polybutylene terephthalate, and polyester.

Synthesis: The Group has developed several proprietary synthetic techniques that produce co-agents for the modification process and enable the production of Halogen Free Fire Retardant ('HFFR') product families in both liquid and solid forms. HFFRs achieve fire protection by decomposing in the event of fire and creating a barrier layer between the underlying polymer or substrate and the fire. This both slows the passage of oxygen and has low thermal conductivity, preventing further fire damage. HFFRs are widely used for cabling in buildings/vehicles and are particularly valuable in that the underlying cable can continue to operate even in the event of such damage. In addition, as they are halogen-free, they meet the highest current environmental performance standards. The Group's GRAFTASYNT* HFFR product is a flame-retardant liquid additive (based on boron chemistry), that can achieve UL94 V-0 rating (i.e., burning stops within 10 seconds on a vertical specimen, standard for safety-critical electronics) at low loading levels and is suitable for both thermoset and liquid polymeric systems. Furthermore, the product causes no discoloration and is effective at low dosage.

*See Appendix 5.0 for details of Graft Polymer Trademarks

Three distinct polymer product ranges: Standard, Custom and Innovative

The Group provides its customers with three main types of modification solutions, as follows:

- Graft/Block copolymers used as compatibilisers to combine various immiscible components (polymers, fillers) allowing the creation of high quality polymeric composite materials for multiple applications;
- Polymeric Nano-Structured Alloys used to modify virgin polymers or as stand-alone compounds; and
- Crosslinking Masterbatches or Alloys used to modify virgin polymers or as stand-alone compounds.

In late 2018, the Group began its first commercial sales to various polymer compounders in the automotive, packaging, construction, consumer products, clothing, aerospace, healthcare and medical markets.

The products offered by the Group fall into the following categories:

1. **The standard products range** – These are products that the consumer market is familiar with, for use in the most developed polymer sectors such as Polypropylene-based composites (which accounts for approximately 70% of the polymer market and Polyamide-based composites (which accounts for approximately 20% of polymer market), as well as other composites (including styrene, polyesters and peroxide masterbatches). These products are available on demand and are distributed via the Group's distribution networks; adapted to align with the market standards and do not require a special validation process by the client.
 - Multifunctional coupling agent (CA) based on PP.
 - Impact Modifiers for PA, PET, PBT.
 - Coupling Agent for Wood Plastics Composites.
 - Adhesives & Sealants Market.
 - Multifunctional Modifier for composites that include fillers, ATH/MH, scrap.
 - Multifunctional Compatibilizer for bitumen, films, Scrap, IM for PET/PBT.
 - Peroxide MB: for melt Flow regulator in the PP Market.
 - Synthetic Products
2. **Custom-made Polymers** – These are 'standard' products with slight modifications made to satisfy specific requests from customers. The Group works directly with its customers to enhance existing products offered by its customers, or produce new products that complement the customer's product range.
3. **Innovative Products** - These products are usually the result of the Group's R&D projects, being either initiated by the Group based on its market research, or as a result of a specific brief from a customer, as follows:
 - **GRAFTALLOY** - A line of 'polymer-polymer' nano-alloys to increase abrasion resistance, temperature resistance, impact strength, reduce friction coefficient.
 - **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'.
 - **GRAFTAMER TRC** - Unique so-called 'smart polymers' (thermally reversible cross-linking, self-hardening, self-healing, polymers with 'shape memory').
 - **GRAFTAMER VTR** (In development status) – New type of polymers - short cycle times, transport at room temperature, recyclable.

Recent broadening of product offering to also include bio/pharma and drug delivery systems

In 2020, the Group launched a new division (“GraftBio”) to develop IP for bio/pharma applications, including a drug delivery system (“DDS”) to support and provide solutions to the market that had been heavily impacted by the COVID-19 pandemic, accelerating growth in the infectious diseases segment of the industry. Although the GraftBio division does not currently have a manufacturing facility and therefore does not produce any products, it engages in development and licensing/sale of IP.

Following Admission, the Directors intend for the Group to invest in a Hazard Analysis Critical Control Points (“HACCP”) Food Supplements certified facility and research & development laboratories to develop further DDS systems and expects to have Food GMP production facilities in place during 2022 whereupon it will be able to directly commercialise its own production.

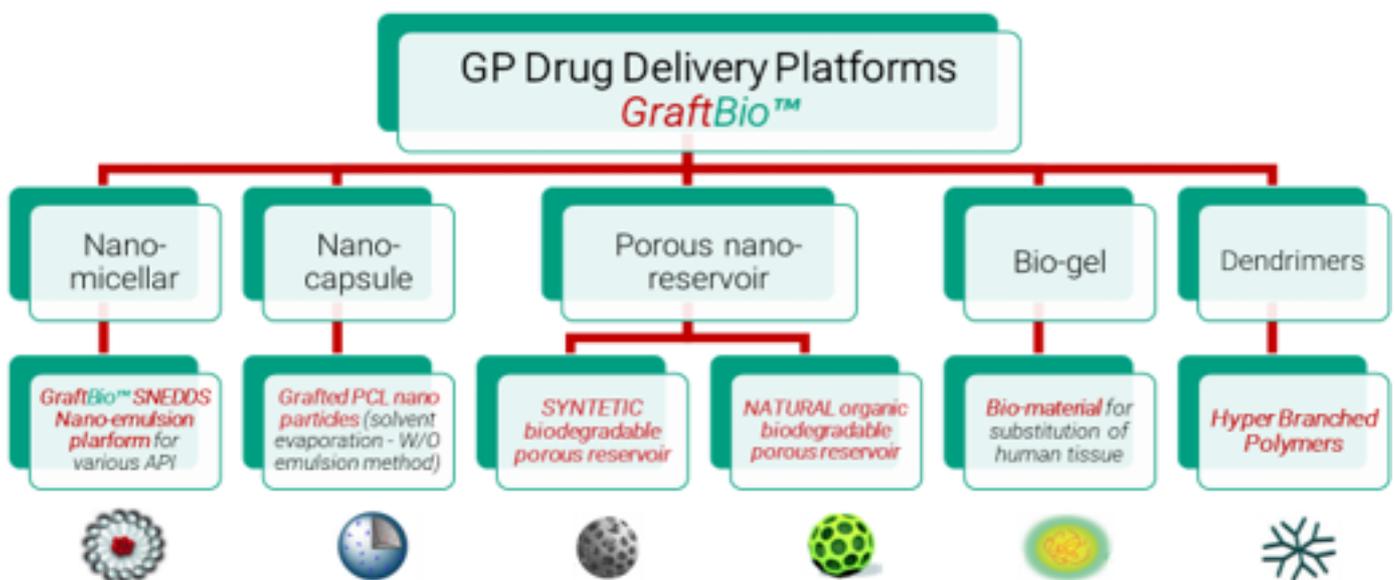
Preceding this, however, initial GraftBio division customers have achieved positive results from several of their own products that are based on the its DDS IP. Its present focus has therefore been on the development and licensing/sale of IP for various platforms relating to the wellness (food and cosmetics) and pharma industries, and in particular specialises in the development of chemical submicron self-emulsification delivery systems for plant-derived bio and pharmaceutical active substances.

As such, GraftBio has already licensed its DDS platform IP to MGC Pharmaceuticals Limited (AIM: MXC, ASX: MXC) in relation to its Cimetra™ and CannEpiL-IL™ products, which are expected to generate royalties for the Group.

Development of DDS platforms

The Group is currently researching smart nanostructured materials to deliver drugs to the target sites. The principal aim is to reduce dosage frequency and mitigate the side effects experienced with traditional therapies.

Bio Business Model: Structure



Source: Graft Polymer Prospectus

Bio-Supplements

Several ranges of products (as detailed below) are in development pipeline development and are expected to be moved rapidly to commercial production once the facility's HACCP certificate has been granted.

- **GraftBio Q10** (water soluble Co-enzyme)
- **GraftBio Gold** (water soluble Curcumin)
- **GraftBio Immune** (water soluble Cu+ Vitamin C)
- **GraftBio BSO** (water soluble Black Seed)
- **GraftBio Pro** (water soluble Propolis)
- **GraftBio GS** (water soluble Ginseng)
- **GraftBio Gin** (water soluble Ginger)

Customer groups - Marketing products to refiners, compounders and processors

As a commercial supplier of polymer modifiers, the Group sells products to refiners, compounders, and processors.

Refiners are typically large enterprises who produce virgin polymers as commodities: polyethylene, polypropylene, polyamide, etc. They often seek to upgrade their existing product portfolio or to develop some innovative grades. Typically, they apply to Graft Polymer, who in turn provides them some modifiers or masterbatches to add during their process to increase monomer content, raise modulus, increase MFI (melt flow index, relevant in processing), or improve other properties, etc.

Compounders are direct customers of Graft Polymer. Compounders routinely produce composites, mixtures of virgin polymers, modifiers and/or fillers.

These composites are then supplied to **Processors** who produce finished or intermediate products, such as injection or compression moulded structures, pipes, blown films and packaging, etc.

Graft Polymer has positioned itself in the manufacturing chain as follows:

Graft Polymer: Central in the Manufacturing Chain



Source: Graft Polymer Prospectus

The Group also produces final composites, generally focussed on polymer-polymer alloys. In these cases, its products go directly to processors. As shown above, polymer modification comprises business-to-business sales only. Generally, modifiers create commercially critical properties for finished products, which introduces some customer conservatism with respect to their willingness to substitute alternative products. Typically, the process from first introduction of a potential new polymer modification technique to commercial sales is in the range of one to five years.

Graft Polymer – Target Markets



Source: Graft Polymer Corporate Presentation (November 2021)

Competition includes a large number of regional and global polymer modification groups

Although the Group is relatively new within the polymer modification field, it considers it is able to compete with larger and more established corporations as a result of its ability to focus its resources, research and development on developing cutting-edge production methods, compared with larger corporations that lack the same specialist focus. This allows Graft Polymer to be flexible and agile compared with its competitors in a market that is constantly evolving. As such, this allows it to offer a wider range of solutions than a peer group which tend to limit their offering to a relatively small number of standard products.

This peer group includes a number of regional and global polymer modification players, many of them subsidiaries of larger petrochemical or specialty chemical groups. These include Polyram (Israel); Auserpolimeri (Italy); BYK (Germany); ExxonMobil, Dow and Dupont (USA); Arkema (France); Silon (Czech Republic); Pluss (India) and; Fine-Blend (China). The Board considers that the products and solutions offered by each of these companies is significantly narrower than its own; refer to Appendix 3.0 for its comparative analysis by location of relevant competition.

Moreover, it should be noted that the complexities of establishing a business within the polymer modification and related sectors (which include the technical experience required, the extensive length of time taken to develop such technologies and the founding experience/contacts), it is uncommon for wholly new companies to enter this market area. It is more likely that operators will instead acquire businesses already operating in the sector. Numerous examples of this can be found, including SK Global Chemical acquiring one unit working on grafted materials from Arkema and BYK-Chemie GmbH acquiring the modified polymers brand, 'Scona'. As such, the Group considers that its competitors are primarily amongst those listed above and that future competition is most likely to arise from mergers, divisional acquisitions and/or spin-outs from those already successfully competing within the sector.

Distribution relationships with multiple international partners

In addition to its direct sales to customers, the Group has secured distribution relationships with multiple international partners, including distributors/agents in Europe, India and Russia. These provide critical channels to market for the polymer modifier industry, providing quality assurance for potential customers as well as market volume. The Board expects to be able to secure similar arrangements with further distributors in North America and other international territories in the near future.

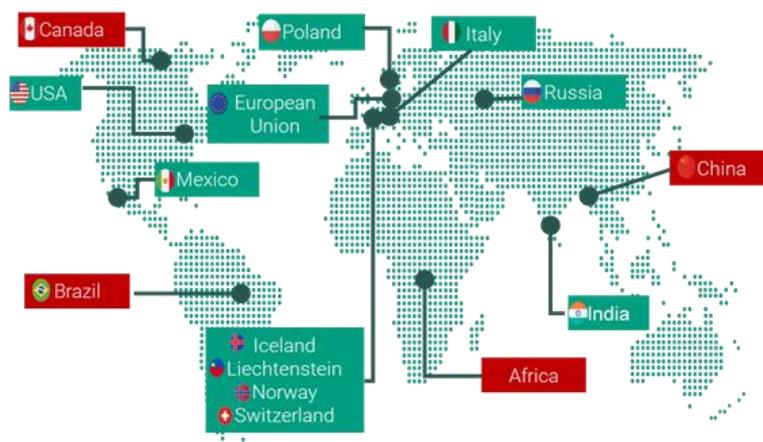
Graft Polymer's Global Distribution Partners

 Model focused on maximising distribution/sales and market visibility globally

 Sales professionals in place supported by management team to execute

Distribution Partners

-  Bedeko (Poland)
-  Bharat Enterprises (India)
-  Vilher (Mexico)
-  Ersbloh GmbH (Europe)
-  Lehmann&Voss&Co. (Europe)
-  Ferro-Plast Srl (Italy)
-  Savanture LLC (USA)
-  Pronativetrader (Thailand)



 Active agents / companies  In progress with potential distributors

Source: Graft Polymer Prospectus

Extensive commercial customer pipeline (2021-23)

The formal deployment of a new polymer mix for a specific application typically takes several months or even years, with extensive investigation of the impact of the additive on the current manufacturing process as well as comprehensive analysis detailing all properties of the finished product. The Board considers that the high level of engagement the Group enjoys with multiple target customers supports their expectation of strong sales performance over the coming years. The top 15 projects in the current commercial sales pipeline across the Group's portfolio of products, together with expected monthly sales volume in the event of a successful conversion to a commercial contract, are summarised in the table below. Pricing reflects the different products on order/in negotiation with existing and potential customers. These projects represent nearly 90% of the Group's risked sales pipeline at present and exclude any licensing arrangements in which the Group makes its technology available for third party manufacture.

Graft Polymer - Customer Interest Potentially Converting to Regular Orders

Customer	Region	Status	Expected volume (tons / month)	Product range (€ / kg)
Automotive Supplier A	Eastern Europe	Letter of intent	75+	3 - 4
Automotive Supplier B	Eastern Europe	Customer trials	40 - 80	3 - 5
Global Chemical Major A	Centre Europe	Letter of intent	20 - 50	3 - 4
Automotive Supplier C	USA	Customer trials	15 - 25	10+
Global Chemical Major B	West Europe	Letter of intent	20 - 50	1 - 2.5
Global Chemical Major C	USA	Customer trials	5 - 12	10+
Manufacturer A	Russia	Customer trials	10 - 20	10+
Manufacturer B	Russia	Regular orders	15 - 25	3 - 4
Automotive Supplier D	USA	Customer trials	15 - 25	6 - 10
Manufacturer C	UK	Regular orders	up to 5	10+
Manufacturer D	Central Europe	Letter of intent	5 - 12	5 - 8
Manufacturer E	Centre Europe	Letter of intent	15 - 25	2 - 3
Manufacturer F	West Europe	Customer trials	15 - 25	5 - 8
Global Chemical Major D	Central Europe	Customer trials	10 - 20	5 - 8
Distributor A	Europe	Customer trials	15 - 25	3 - 4
Global Biotech A	Europe	Supply agreement	0.25-0.30	120-285

Source: Graft Polymer Prospectus

Within the pipeline, Graft Polymer is currently (2021-2022) focussed on the following major relationships:

- **Washington Penn Plastic Company Inc.:** An Audia company and part of the VW/Audi Group supply chain, that has seen material supply contracts increased in past 12 months with new product trials now also underway. The opportunity includes forecast base annual revenues of €3.9m, based on current products and expected commercial orders, for which advanced trials are underway. Washington Penn uses the GRAFTABOND product line for applications in the automotive industry.
- **Swiss Biotech:** Develops products in the field of nutraceuticals, wellness and anti-anti-ageing. The company has developed a method that imitates the way human bodies process natural nutrients. By incorporating Graft Polymer products and R&D, Swiss Biotech expects to expand the range and commercial offering. In particular, the Group has developed self-emulsified naturally active substances ('SMSEP') in its Slovenian laboratory. The Company has entered into a binding supply outline agreement with Swiss Biotech directed towards the future production and supply of SMSEP. Sub-contracting by the Group to a third party for the manufacturing is expected. Pricing, in respect of the future supply by the Group to Swiss Biotech, has been agreed in part for certain categories of SMSEP. Initial and ongoing supply quantities and quality aspects are however, still subject to negotiation.
- **MGC Pharmaceuticals Limited (LSE: MXC, ASX: MXC, 'MGC')***: A European focused biopharma company that offers a nano- drug delivery platform, placed commercial orders following 2020/21 development for phase III trial and first commercial production in 2021. MGC uses the GRAFTBIO product line for drug delivery, which followed Graft Polymer Slovenia entered into a Research and Development Agreement with MGC in 2019, pursuant to which the parties agreed that Graft Polymer Slovenia would conduct research for MGC. MGC uses the GRAFTBIO Drug Delivery System platform solution in several of its products, as described below:
 - (a) 'CimetrA™' - proprietary bio-Investigation medicinal product targeting COVID-19 symptoms based on Self-nanoemulsifying drug delivery systems ('SNEDDS') in forms of spray and powder. Testing is ongoing.
 - (b) 'CannEpil-IL™' SNEDDS form of nanoemulsion based on CBD/THC for the treatment of epilepsy.
- **International manufacturer:** The Group is in the final testing phase with an international manufacturer, which could result in annual volumes of up to 120 metric tonnes. The Group's products are used to make crosslinking processes for automotive, roofing products.
- **Roofing polymer composites manufacturer (Russia):** Currently second phase of successful bulk sample testing. The Group's products are used for bitumen modification and panels.
- **Plastic additives distributor (Poland):** Several successful product tests approved by client, the Group is trialling the GRAFTALEN and GRAFTABOND product lines for use in their own product offerings.

In addition, large commercial sample testing is underway with negotiations for long term supply deals with:

- **An unnamed synthetic rubber manufacturing company** with several products under trial with developments based on different terms of cooperation planned to be commercialised during 2022.
- **An unnamed global producer** of styrenic block copolymers which is interested in grafting of glycidyl solutions methacrylate for a new line of products. Laboratory trials have commenced.
- **An unnamed global specialist chemicals company** developing an aqueous dispersion product based on modified solutions polyolefins and methacrylates.
- **Manufacturer of thermoplastics recycled polymers (UK):** Positive results from second phase of testing and moving to third phase currently with larger quantities.
- **An unidentified American multinational chemical corporation:** Has several products under evaluation using the Group's concentrated GRAFTAKIT line for the production of adhesives.

**Note: Roby Zomer, Non-executive Chairman of Graft Polymer, also serves as the Managing Director and Chief Executive Officer of MGC. Roby Zomer is a shareholder of both Graft Polymer and MGC.*

Graft Polymer Slovenia Plant and Facilities

THE PLANT



Cutting edge +1,000m² production and R&D facility



Scalable modular operations with land secured for expansion



Research, develop and test various combinations of polymer solutions



Production capacity of up to 4,500 tons of product per annum



Able to produce multiple products and ship to clients on demand



Collaboration with the Faculty of Polymer Technology (FTPO Slovenia)

Source: Graft Polymer, Corporate Presentation (November 2021)

Graft Polymer sales by geographical location

A summary of the Group's sales revenue by country for the financial year ending 31 May 2020, and the seven months to 31 December 2020, is set out in the table below:

Group Sales by Geographic Location

Country (£'000)	Revenues for the 7mths to 31 Dec 2020	Revenues for the Year to 31 May 2020
Slovenia	206	191
Slovakia	33	71
Russia	23	7
Italy	0	15
Other	44	46
Total Revenue	306	322

Source: Graft Polymer Prospectus

Royalties – Founder royalties payable, licencing royalties receivable

Founder Royalties in form of profit share agreement

Upon Admission, Graft Polymer entered into a profit share agreement (the 'Profit Share Agreement') with the Group's founder and CEO, Victor Bolduev. Under the terms of the Profit Share Agreement and as part of the acquisition of know-how from Victor Bolduev, the Group is due to pay a royalty of 7% of the profit accruing from sales or licence income of the Company (being EBITDA less administration costs and expenses for the relevant financial year as determined in its audited financial accounts), on a monthly basis up to an aggregate amount of €3,500,000, which will commence upon Graft Polymer achieving monthly profit of €20,000. To date, no royalty has been paid or accrued.

Licence and royalty agreement with MGC Pharmaceuticals Limited

On 21 September 2021, Graft Polymer IP entered into a licence and royalty agreement with MGC ('MGC Licence & Royalty Agreement'). Under the terms of the MGC Licence & Royalty Agreement, Graft Polymer IP licenced the use of GraftBio's self nano-emulsifying drug delivery system to MGC. In return, MGC will pay to Graft Polymer IP a royalty of €1 per each unit of the product

sold or otherwise commercialised by MGC that utilises the DDS technology. Refer to paragraph 16.15 of Part 11 ('Additional Information') of the Prospectus for full details of the MGC Licence & Royalty Agreement.

As part of the Emergency Use Registration process for CimetrA™ as a medicine in India, an observational open label controlled clinical trial was conducted using a Nasal Formulation (in order to meet the physiological limitation of patients with severe cases of COVID-19) of CimetrA™, and released as ArtemiC™ to the study. The clinical study results demonstrated for the first time the formulation's efficacy in the treatment of patients with severe COVID-19, demonstrating a significant reduction in one of the main inflammatory markers related to COVID-19, C-reactive protein ('CRP'), an acute inflammatory protein that increases up to 1,000-fold at sites of infection or inflammation. CRP is used as one of the main prognostic factors for the clinical deterioration in hospitalised COVID-19 patients. Earlier this month, MGC began the registration process to obtain Emergency Use Authorisation for CimetrA™ in India. This clinical trial is part of the process to gain authorisation and is expected to be concluded later this year.

On 26 August 2021, MGC announced that it had executed a binding, 3-year US market Supply and Distribution Agreement with AMC Holdings Inc. ('AMC'), with minimum orders of US\$24 million of MGC phytomedicine products including CimetrA™, of which a US\$3 million order was placed for the first year to be placed 5 days from grant of a National Clinical Trial Number, with an additional US\$21m of orders over years 2 and 3. The US\$3 million order from AMC represents over 110,000 units of CimetrA™, the largest single order that MGC has received for any product, to date. Refer to paragraph 11 of Part 8 ('Information on the Group') of the Prospectus for full details of this arrangement.

MGC also announced that, prior to the first commercial supply of CimetrA™ to AMC under the US\$3 million order, AMC will provide an irrevocable letter of credit for the balance of the purchase order, being US\$2 million. AMC is currently in the process of securing approval for receiving CimetrA™ for distribution within the US, which is expected to take approximately six weeks. The initial order by AMC will be used by regulators and researchers in the USA approval process. As part of this process, AMC is coordinating with the University of South Florida in Tampa and the Holy Cross Hospital in Fort Lauderdale to submit CimetrA™ to the internal review boards for approval and the initiation of clinical trials. The approval of the initial review board will enable each facility to participate in ongoing clinical trials for CimetrA™.

Trademarks, Patents and Intellectual Property

A total of six Class 1 and one Class 1 and 17 Trademarks (as detailed in in Appendix 5.0), plus two further applications (Class 1 and 17, plus Class 5 and 42) are registered in the name of Graft Polymer IP, a wholly-owned subsidiary of the Company. Graft Polymer Slovenia has been granted a non-exclusive worldwide licence by Graft Polymer IP to use these trademarks. An independent 2017 Swiss Appraisal IP assessment placed a valuation of US\$189m on the Group's intellectual Property, although the Board considers this would likely be higher today due to the above patent applications that are now underway (see Appendix 8.0 for additional detail regarding this valuation).

Also as detailed in Appendix 6.0, five patents covering Graft Polymer technologies have been applied for through Graft Polymer IP, MGC Pharma and Polymer Innovation Inc., the latter being a vehicle that presently is wholly-owned by the Group's founder, Victor Bolduev, was transferred to Graft Polymer upon Admission.

Operational liquidity and capital resources

Graft Polymer's initial financing was sourced through a seed capital round through which it raised £1.332 million in funding, net of expenses. Subsequently, the Group has raised net £0.656 million from convertible loan financing, the majority of which was provided by existing shareholders, and all of which was converted into new Graft Polymer equity upon Admission. During the six months to 30 June 2021, the Group raised an additional £0.150 million from convertible loan financing along with a further £0.150 million subsequent to the period end, all of which was also converted into equity upon Admission. The Convertible Loan Notes shall, in total, convert into an aggregate of 13.5% of the Group's Ordinary Shares immediately prior to Admission.

The following table shows the Company's capitalisation and indebtedness as at 30 September 2021 and has been extracted without material adjustment from the Historic Financial Information. With no indirect or contingent indebtedness, after adjusting for cash-in-hand and other current financial receivables, the Group's net total financial indebtedness amounted to £1.479 million.

Graft Polymer – Current Group Financial Indebtedness

Total Current Debt	£'000
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	(1,708)
Total Non-Current Debt	£'000
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-

Source: Graft Polymer Prospectus

Graft Polymer (UK) plc – Summary audited historical financial information
Risk warning: Past performance and forecasts are not a reliable indicator of future results.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*	7mths to 31 Dec 2020	Year to 31 May 2020	Year to 31 May 2019	Year to 31 May 2018
£'000				
Continuing operations				
Revenue	403	330	29	-
Cost of sales	(30)	(46)	(13)	-
Gross profit	373	284	16	-
Operational costs	(88)	(240)	(196)	(21)
Administrative expenses	(367)	(396)	(438)	(465)
Operating loss	(82)	(352)	(618)	(486)
Depreciation	(71)	(114)	(69)	(8)
Finance costs	(7)	(72)	(16)	-
Loss before taxation	(160)	(538)	(703)	(494)
Income tax	-	-	-	-
Loss for the year from continuing operations	(160)	(538)	(703)	(494)
Total loss for the year attributable to equity holders of the parent				
Other comprehensive income	-	(1)	-	(10)
Total comprehensive loss for the year attributable to equity holders of the parent	(160)	(539)	(703)	(504)

*Refer to Graft Polymer (UK) plc's Prospectus for notes related to these accounts

Source: Graft Polymer Prospectus

Graft Polymer (UK) plc – Summary audited historical financial information
Risk warning: Past performance and forecasts are not a reliable indicator of future results.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*	Year to 31-Dec-20	Year to 31-May-20	Year to 31-May-19	Year to 31-May-18
£'000				
Non-current assets				
Property, plant and equipment	415	448	510	518
Intangible assets	2,068	2,068	2,068	2,068
Other non-current assets	13	13	13	13
Right of use asset	5	27	64	100
Total non-current assets	2,501	2,556	2,655	2,699
Current assets				
Cash and cash equivalents	209	25	90	339
Trade and other receivables	55	12	17	59
Total current assets	264	37	107	398
TOTAL ASSETS	2,765	2,593	2,762	3,097
Equity attributable to owners of the parent				
Issued share capital	7	7	7	7
Share premium	942	3,442	3,442	3,442
Capital reduction reserve	2,500	-	-	-
Foreign exchange reserve	(12)	(11)	(10)	(10)
Accumulated losses	(1,895)	(1,735)	(1,197)	(494)
Total equity	1,542	1,703	2,242	2,945
Non-current liabilities				
Lease liability	-	-	24	71
Total non-current liabilities	-	-	24	71
Current liabilities				
Borrowings	656	534	343	-
Trade and other payables	541	319	115	50
Lease liability	26	37	38	31
Total current liabilities	1,223	890	396	81
TOTAL LIABILITIES	1,223	890	420	152
TOTAL EQUITY AND LIABILITIES	2,765	2,593	2,762	3,097

*Refer to Graft Polymer (UK) plc's Prospectus for notes related to these accounts

Source: Graft Polymer Prospectus

Graft Polymer (UK) plc – Summary audited historical financial information
Risk warning: Past performance and forecasts are not a reliable indicator of future results.

CONSOLIDATED STATEMENT OF CASHFLOWS*	7mths to 31 Dec 2020	Year to 31 May 2020	Year to 31 May 2019	Year to 31 May 2018
£'000				
Cash flow from operating activities				
Operating loss – continuing operations	(160)	(538)	(703)	(494)
<i>Adjustments for:</i>				
Depreciation	71	114	69	8
Finance expenses	7	72	16	-
Waiver of interest on convertible loans	(77)	-	-	-
Foreign exchange loss	-	2	16	89
<i>Changes in working capital:</i>				
Decrease / (increase) in trade and other receivables	(43)	8	43	(59)
Increase / (decrease) in trade and other payables	205	150	(1)	43
Net cash inflow/(outflow) from operating activities	1	(192)	(560)	(413)
Cash flow from investing activities				
Purchase of property, plant and equipment	(16)	(8)	(20)	(516)
Net cash (outflow) from investing activities	(16)	(8)	(20)	(516)
Cash flows from financing activities				
Proceeds from the issue of share capital, net of issue costs	-	-	-	1,332
Proceeds from borrowings	199	128	328	-
Net cash inflow from financing activities	199	128	328	1,332
Net increase/(decrease) in cash and cash equivalents	184	(72)	(252)	403
Cash and cash equivalents at beginning of period	25	90	339	-
Foreign exchange impact on cash	-	7	3	(64)
Cash and cash equivalents at the end of the period	209	25	90	339

*Refer to Graft Polymer (UK) plc's Prospectus for notes related to these accounts

Source: Graft Polymer Prospectus

APPENDIX

1.0 Graft Polymer plc: Directors and Senior Management

The Board consists of three executive Directors and two non-executive Directors. The Directors and the Senior Management have no conflicts of interests between any duties owed by them to the Group and their private interests and or other duties, save that: Mr Roby Zomer is a director and shareholder of, MGC Pharmaceuticals Limited (the parent company of MGC Pharmaceuticals d.o.o). In 2019, Graft Polymer Slovenia entered into a Research and Development Agreement with MGC Pharmaceuticals d.o.o., pursuant to which the parties agreed that Graft Polymer Slovenia would conduct research for MGC Pharmaceuticals with regard to certain of its products; and (B) Anthony Eastman is a partner of Orana Corporate LLP, which provides accounting support services to the Group pursuant to a services agreement. The Group is committed to effective governance and, upon Listing, will adopt the Corporate Governance Code for Small and Mid-Size Quoted Companies from the Quoted Companies Alliance ('the QCA Code').

1.1 Directors

Roby Reuven Zomer, aged [41] – Non-Executive Chair

Roby Zomer is the Non-Executive Chairman of the Company, having been involved in the Group's business since its inception. Roby brings more than two decades of experience in science, leadership, business creation and operations and global development strategies, all in cutting-edge industries, and at the highest governmental levels. His career has spanned multiple disciplines and areas of expertise, beginning with medical training at leading Israeli medical institutions and shifting to technological development and logistics of personnel deployment during his military service in the Israel Defence Force.

Victor Bolduev, aged [63] – Founder, Chief Executive Officer (CEO) and Chief Technical Officer (CTO)

A graduate of both St Petersburg University and Tashkent Military's University, with over 30 years' experience in industrial sectors, more than 20 years working in the polymer industry. Victor brings expert experience in the polymer industry, leadership, value creation and cutting-edge innovation. During this time, Mr Bolduev has worked at a senior level for various polymer modification companies in Russia, Thailand and Slovenia, such as: CJSC "META CLAY" a Russian nanotechnology manufacturing company for the oil industry, "OLENTA" Group, a Russian polymers modification manufacturing company for reactive gases and synthesis of functional graft and block co-polymers; OK Rubber (Thai) Co. Ltd. - a Thailand-based company that became the first factory to use an innovative technology to produce rubber/polymer composite materials; Light Equipment Plant and; Tornado Group Inc. He is also a non-executive director for a number of companies, including Victor Bolduev IP and Polymer Innovations Inc. author of 11 patents relating to polymer modification and drug delivery systems and has been CEO and CTO of companies within the Group since February 2008.

Yifat Steuer, aged [50] – Executive Director and Chief Financial Officer (CFO)

Yifat Steuer started her career in accountancy, qualifying as a chartered accountant with Deloitte before moving into industry. Yifat has over 20 years' experience a well-versed CFO ranging from Global blue-chip companies to hands-on implementation in SMEs/start-ups. She has worked internationally for the majority of her career at firms including Johnson & Johnson and GlaxoSmithKline. While at Marken, Ms Steuer was the Chief Accounting Officer heading the global shared services accounting and payable teams. Ms Steuer led vendor due diligence for the sale of Marken to UPS. As part of her community contribution, Ms Steuer took a 9-month assignment as the CFO and Treasurer of the British Transport Police Authority. Ms Steuer has a proven track record in pharmaceuticals, manufacturing, logistics, distribution, medical technology, and digital health industries.

Pavel Kobzev, aged [39] – Executive Director and Chief Marketing Officer (CMO)

Mr Kobzev serves as the Chief Marketing Officer of the Group, with over 10 years' experience in project management and market analysis. He served in the Israeli Defence Forces Elite Intelligence 8200 unit as Managing Operations Leader and has expertise in the security solutions and design solutions and design industries. Mr Kobzev began his career at Magal, an intelligent security company in Israel, where he served as a field engineer responsible for managing a team that designed innovative security solutions for products in the information technology and physics fields, while carrying out market analysis in connection with these solutions.

Alex Brooks, aged [45] – Independent Non-Executive Director

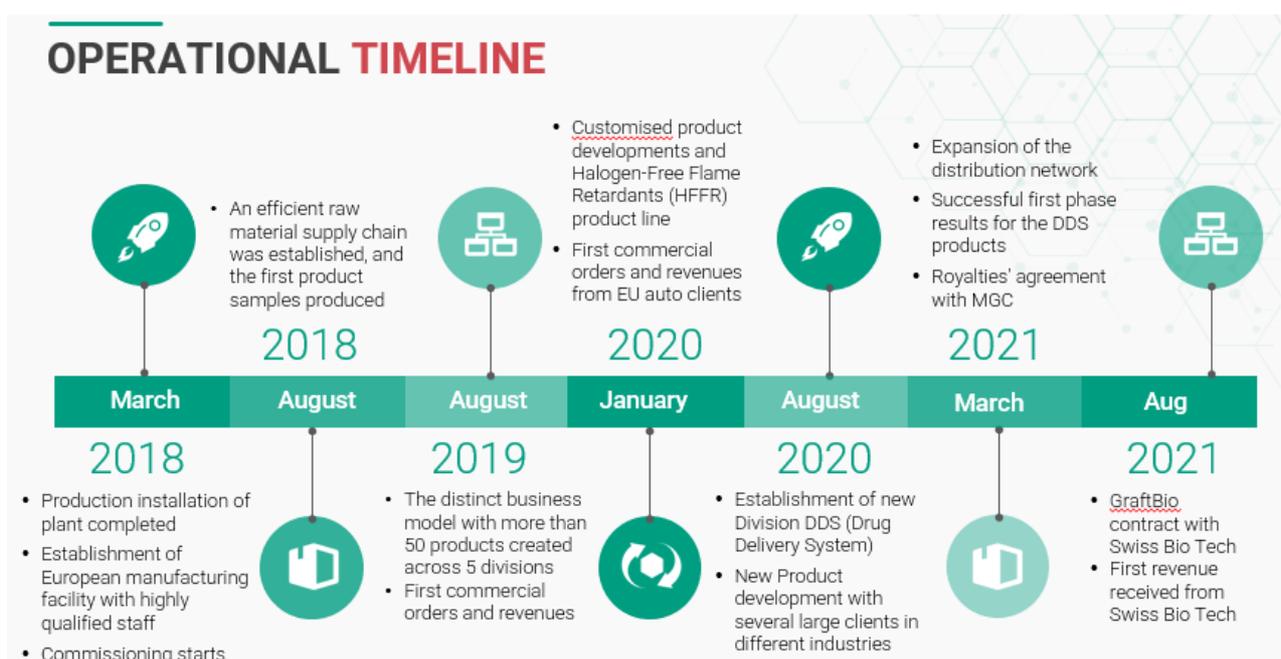
Mr Brooks is an experienced capital markets professional, having worked in a range of roles primarily in public equity markets but also including exposure to private markets and to debt securities. Mr Brooks has worked as a buy-side and sell-side analyst at a number of large financial institutions, including JPMorgan and UBS, and is currently a Senior Equity Analyst with Canaccord Genuity (UK). He focusses on industrial technology companies in several sectors, notably sustainability, energy and energy transition, and chemicals.

1.2 Senior Management

Anthony Eastman, aged [46] – Company Secretary

Anthony Eastman is a member of the CAANZ and ICAEW and a current Partner at Orana Corporate LLP. Mr Eastman has a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of ASX and AIM junior mining and oil & gas focused companies.

2.0 Graft Polymer (UK) plc – Operational timelines



Source: Graft Polymer, Corporate Presentation (November 2021)

3.0 Graft Polymer (UK) plc – Board assessment of Group's competitive positioning by location

GP's BUSINESS MODEL: COMPREHENSIVE & INNOVATIVE

TECHNOLOGIES	 Slovenia	 Israel	 Italy	 Germany	 USA	 France	 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	✓									

Source: Graft Polymer, Corporate Presentation (November 2021)

4.0 Graft Polymer (UK) plc Concert Party – Beneficial ownership

When members of a concert party hold more than 50 per cent. of the voting rights in a company, no obligations under Rule 9 of the City Code normally arise from acquisitions of further interests in shares by any member of the concert party. Members of the Concert Party who, as at the date of this document and, in aggregate, hold 79.85% of the entire issued share capital of the Company, may accordingly increase their aggregate interests in Ordinary Shares without incurring any obligation under Rule 9 of the City Code to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in Ordinary Shares through or between a Rule 9 threshold without consent of the Takeover Panel.

Graft Polymer – Shareholder Beneficial Ownership

<i>Member of the Concert Party</i>	<i>Percentage of Enlarged Share Capital (%)</i>	<i>Number of Options held by the Concert Party at Admission</i>	<i>Percentage of Enlarged Share Capital if Options were exercised (%)</i>
Victor Bolduev	29.84%	2,200,000	28.88%
Roby Zomer	5.09%	1,700,000	6.10%
Yifat Steuer	0.33%	1,500,000	1.62%
Anthony Eastman	2.24%	1,400,000	3.27%
Pavel Kobzev	1.30%	1,600,000	2.59%
Brett Mitchell	7.49%	600,000	7.30%
William and Diane Mitchell	1.07%	-	0.96%
Tim Wise	0.25%	500,000	0.67%
Craig Burton	13.65%	-	12.32%
TOTAL	61.27%	9,500,000	63.71%

Source: Graft Polymer Prospectus

On Admission, it is expected that approximately 27.22% of the Group's Ordinary Shares in issue will be held in public hands (within the meaning of Listing Rule 14.2.2(4)).

5.0 Graft Polymer (UK) plc: Trademarks

The following Trademarks are registered in the name of Graft Polymer IP, a wholly-owned subsidiary of the Company. Graft Polymer Slovenia has been granted a non-exclusive worldwide licence by Graft Polymer IP to use these trademarks.

Territory	Class	Mark	Number
UK	Class 1	GRAFTAMID	UK00003276548
UK	Class 1	GRAFTABOND	UK00003276549
UK	Class 1	GRAFTALOY	UK00003408039
UK	Class 1	GRAFTSYNT	UK00003408043
UK	Class 1	GRAFTAPOR	UK00003408035
UK	Class 1	GRAFTALEN	UK00003276546
UK	Classes 1 and 17	GRAFTAMER	UK00003608661

Source: Graft Polymer Prospectus

Applications have also been made for the following words to be trademarked. When granted, the marks will be held by Grant Polymer IP, which has granted Graft Polymer Slovenia with a non-exclusive licence to use these trademarks.

Territory	Class	Mark	Number
UK	Classes 1 and 17	GRAFTAKIT	UK00003608655
UK	Classes 5 and 42	GRAFTBIO	UK00003614423

Source: Graft Polymer Prospectus

6.0 Graft Polymer (UK) plc: Patents*

The following patents* have been applied for by Graft Polymer IP and related entities:

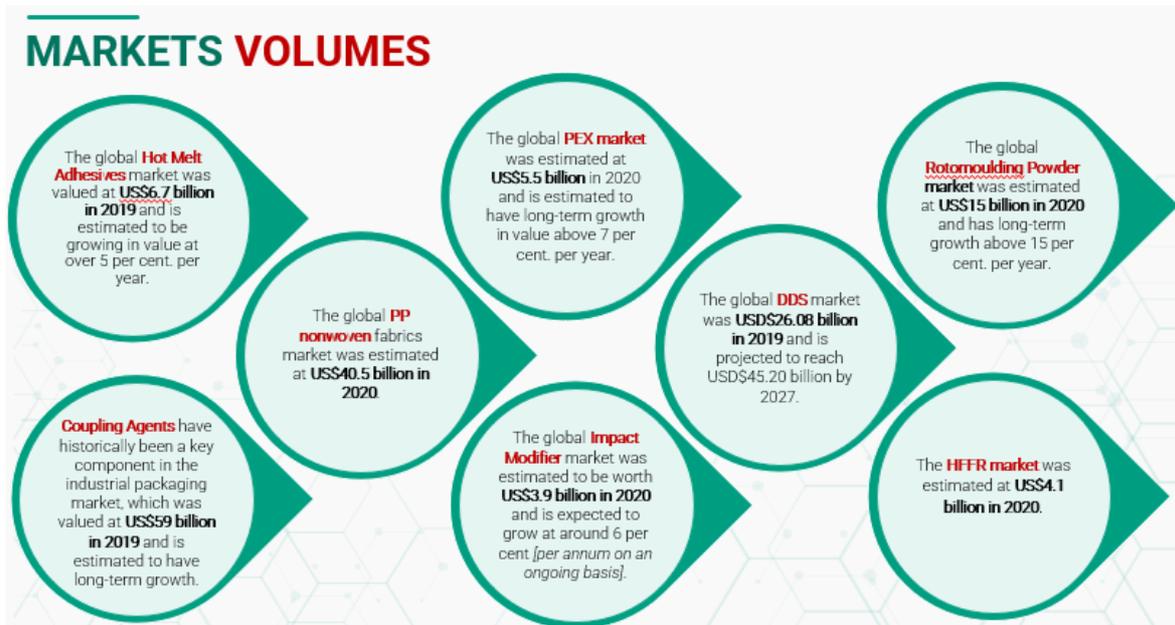
Application number	Entity that has applied for the patent	Date on which application accepted	Country of patent authority	Subject matter of patent application	Status
P-202100132	Graft Polymer IP and MGC	28 June 2021	Slovenia	Cannabinoids-ionic complex self-nanoemulsifying concentrate and method for preparation	Graft Polymer IP and MGC have been granted priority rights.
P-202100047	Graft Polymer IP	19 March 2021	Slovenia	Method for production of modified polyolefin	Graft Polymer IP has been granted priority rights.
P-202100044	Graft Polymer IP	16 March 2021	Slovenia	Method for industrial production of modified polymers and device for its realisation	Graft Polymer IP has been granted priority rights.
2021106347	Polymer Innovation ¹	11 March 2021	Russia	Super-saturable self-nano emulsifying drug delivery system for poorly water-soluble pharmaceutical compositions and method of its preparation	Polymer Innovation has been granted priority rights.
P-202100024	Polymer Innovation ¹	22 February 2021	Slovenia	Super-saturable self-nano emulsifying drug delivery system for poorly water-soluble pharmaceutical compositions and method of its preparation	Polymer Innovation has been granted priority rights.

¹Polymer Innovation Inc. is wholly-owned by the Founder. Polymer Innovation Inc. will assigned to Graft Polymer IP the legal and beneficial interest in the patent applications 2021106347 and P-202100024 once all respective governmental authorities have confirmed formal registration. This transfer that is expected to take up to approximately three weeks. The assignments will include a right of reversion in the event of Admission not occurring within 6 months of the date of signature of the assignment agreements.

Source: Graft Polymer Prospectus

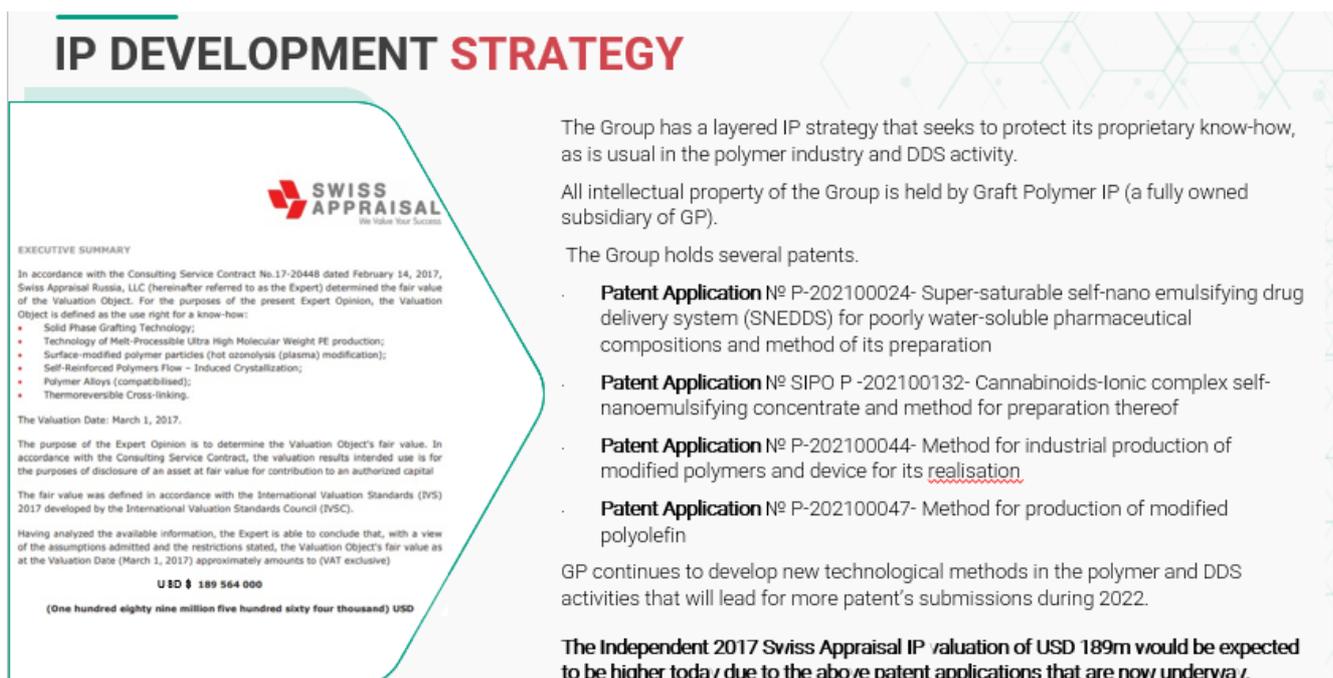
*Notes: (i) In accordance with the Industrial Property Act of Slovenia, the Slovenian Intellectual Property Office will publish each of the Slovenian patent applications after the expiry of a period of 18 months from the filing date. The Office shall issue a decision on the grant of a patent and enter the patent in the register of patents and public patent database. The date of the publication of a patent application shall be deemed to be the date of the grant of a patent. From the filing date of each of these patent applications, the abovementioned applicants have a priority right for their IP in all countries that are members of the Paris Convention. (ii) The Group intends to submit further patent applications during the course of 2021 and 2022. The Group owns all assets necessary for the production of its products. The Group does not currently use assets for production that it does not own.

7.0 Global market opportunities in polymer modification and drug delivery systems



Source: Graft Polymer, Corporate Presentation (November 2021)

8.0 Independent valuation of Graft Polymer's Intellectual Property*



*See Appendix 6.0 for details of Patents Pending (including one already granted)

Source: Graft Polymer, Corporate Presentation (November 2021)

9.0 Environmental, social and corporate governance ('ESG') in Graft Polymer

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)
- Sustainable communities
- Commitment to sponsor a person with disabilities for every 27 Graft Polymer Slovenian employees

Governance

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

Source: Graft Polymer, Corporate Presentation (November 2021)

10.0 Graft Polymer – 'Green' Eco Credentials

GRAFT POLYMER 'GREEN' ECO CREDENTIALS

Graft Polymer operates an **Eco-friendly 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 biggest 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 certified** 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 50% to the end client



Source: Graft Polymer, Corporate Presentation (November 2021)

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