

Graft Polymer (UK) plc

Graft Polymer, a business focused on the development of polymer modification, biological/food supplements and drug delivery systems, has today announced the Admission of its ordinary shares to trading on the Main Market of the London Stock Exchange and first day of dealings. 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 the Group's research and production facility, upgrade existing laboratories, accelerate growth and increase both inventory and marketing abilities. Upon Admission Graft Polymer's market capitalisation will be approximately £22.4m. Turner Pope acted as Sole Broker in relation to the Group's Placing and Admission.

Use of funds

The estimated net proceeds of £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.

Key investment proposition

With business lines focused on the development of polymer modification, biological supplements and drug delivery systems, Graft Polymer addresses multiple, high-growth billion US\$ markets. Established in 2017, it has already commercialised more than 50 products. Supported by a highly experienced management team, the Board expects its wide range of proprietary techniques to enable customers to achieve improved characteristics for their polymers/polymer-based products at comparable or lower cost than can be offered by competitors. As is normal in the sector, the Group has a layered IP strategy which seeks to protect its proprietary know-how, having already identified Slovenia as an attractive location for manufacturing with excellent infrastructure, competitive labour costs, and a location adjacent to the major manufacturing and supply chain centres across the European Union and central Europe. The Board has stated its commitment to adopting best practice, where possible and appropriate, in its reporting of Environmental, Social and Governance ('ESG') issues.

The Board is confident that based on existing sales relationships, its product offering can be successfully marketed with premium margins. As a result, they expect their business to exhibit strong operational gearing, with small increases in revenue resulting in substantial improvements in profitability. In addition to direct customer sales, the Group has secured distribution relationships with multiple partners in support of its global ambitions, including distributors/agents in Europe, India and Russia. These comprise critical channels to market for industry, providing quality assurance for potential customers as well as access to high market volumes. Management expects to be able to secure similar arrangements with distributors in North America and other international territories in the near future.

Victor Bolduev, Chief Executive Officer & Chief Technical Officer noted:

"Graft Polymer's listing will provide the Company with further capital to accelerate our development of intellectual property as well as new technologies to provide novel products and solutions for market challenges that arise. We believe the diversity of our products enables us to deliver to various industries highlighting the IPO as the first-of-its-kind in London."

Stock Data

Share Price:	21.5p
Market Capitalisation:	£22.4m
Shares in issue:	104.1m
52 week high/low:	n/a

Company Profile

Proposed Sector:	Chemicals*
Expected Ticker:	GPL
Proposed Exchange:	LSE Standard Listing <i>*Expected</i>

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/

Graft Polymer Board/Senior Management upon Admission

- Roby Zomer - Non-Executive Chairman
- Victor Bolduev - Chief Executive Officer and Chief Technical Officer
- Yifat Steuer - Chief Financial Officer
- Pavel Kobzev - Chief Marketing Officer
- Alex Brooks - Independent Non-Executive Director
- Anthony Eastman - Company Secretary

Past performance is not an indication of future performance.

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TPI acts as sole broker to Graft Polymer (UK) plc.

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