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Graft Polymer (UK) PLC

Cornerstone distribution agreement announced with leading US pet product distributor Inter-Technologies. Inc leveraging compelling opportunities in high growth US veterinary sector

Graft Polymer, (LSE:GPL) a special multi-sector chemicals company offering modified and alloys polymers and bio-polymers solutions for refiners, compounders and processors, announces the signing of a distribution agreement with leading US veterinary products company Inter-Technologies Inc. The agreement is a major step forward in expanding the penetration of the Company's GraftBio products into the Veterinary Food Supplements market in the USA, through Inter-Technologies' five operating subsidiaries in that market.

The agreement relates specifically to the distribution of its GraftBio SNEDDS (self-nano emulsifying drug delivery system) products leveraging their unique proposition using the company's patented micelle technology.

- First move in developing Graft Polymer's US market exposure
- Evidence of market appetite for the Company's unique, patented technologies
- Tapping into dynamic growth in the US veterinary market at a time of high consumer spending on pet food and related products
- Further progress in developing effective partnerships with market leading distributors
- First batch to the USA dispatched this week

The US pet supplements market is on a robust growth trajectory, with an estimated value of USD 2.02 billion in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 5.9% from 2023 to 2030. According to an article published by the Insurance Information Institute, Inc., total pet industry expenditure in the U.S. was USD 123.6 billion in 2021, up 19% from USD 103.6 billion in 2020. The 'pet humanization' trend, where people develop ever closer relationships with their animals, has driven significant consumer spending on pet food, supplements, and related products to ensure the well-being and health of much-loved pets. It has been demonstrated that supplements enhance concentration, focus, energy levels, immune system strength and heart health in pets. There is also considerable demand for calming supplements to address stress and anxiety in pets and this is expected to continue gaining traction among pet owners.

Inter-Technologies Inc, whose PetMark brand is renowned for nurturing champion pedigrees and robust health for top-tier Siberian 'Neva Masquerade' cats and kittens, first approached Graft Polymer with concerns about the feline coronavirus outbreak. Reports of cat deaths due to the virus and avian flu raised questions about potential connections with humans and increased resultant risks. Graft Polymer's GraftBio products, utilizing Self Nano Emulsifying Drug Delivery Systems, offer an effective solution for combatting these health issues.

GraftBio, a dedicated Pharma/Bio division within the Graft Polymer group, operates from the Company's new state of the art manufacturing facility in Slovenia as part of the Company's major innovative equipment plant which has recently been commissioned there and is set to double the Company's production capacity. Focused on developing innovative Nano Drug Delivery Systems for pharmaceutical and food supplement applications, GraftBio offers a Supplement Product Pipeline tailored for veterinary purposes. The key attractions of GraftBio products are their High Bioavailability, Nano-sized forms, Natural Generally Recognized As Safe (GRAS) ingredients, High Stability, and Health Safety. The agreement with Inter-Technologies Inc. relates to a number of GraftBio bio supplements for animals with a wide range of applications.

Commenting on the agreement, Graft Polymer CEO / CTO Victor Bolduev said: *"This is an important opportunity for the company and is evidence of our ability to forge strong partnerships with leading operators in new markets, opening up additional growth channels. We are excited by the potential for development within the US veterinary sector and are fully aligned with Inter-Technologies Inc. in playing a vital role in contributing to pet welfare thanks to our market leading technology and unique products"*.

Yuri Altyev, CEO of Inter-Technologies Inc, added: *"We were attracted by Graft Polymer's high quality solutions within the veterinary products space and look forward to working with them to optimal effect in the US market"*.

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Graft Polymer (UK) Plc

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About Graft Polymer

Graft Polymer is a London Stock Exchange listed company (GPL.L) with a cutting-edge, cash-flow positive, research and development (R&D) and manufacturing facility based in Slovenia which has already introduced more than 50 products to the market. The core business of the Group comprises polymer modification and drug delivery system developments. The Group has developed a proprietary set of polymer modification technologies which uses recycled raw materials and a closed loop system to reduce waste. Graft Polymer's technology can improve existing products and processing methodologies by enhancing performance, simplifying manufacturing, reducing material consumption, widening the choice of feedstocks, and reducing costs.

Graft Polymer has three divisions: the first division focusses on polymer modification; the second is GraftBio which develops IP for Bio/Pharma applications (including a drug delivery system to support and provide solutions to the market, which had been heavily impacted by the COVID-19 pandemic); and the third is the Group's food supplement division. A significant milestone was reached in May 2022 when the Slovenian manufacturing facility was granted a Hazard Analysis and Critical Control Point (HACCP) Certificate. The HACCP Certificate allows it to enter the lucrative Business-to-Consumer market and commercialise its IP for bio/pharma applications, developing active pharmaceutical ingredients and drug delivery platforms for use in the food supplement market, thereby introducing a further revenue stream to its business.

Environment, Social and Governance is at the forefront of the Group's strategy and the facility in Slovenia has been granted ISO 14001 accreditation in recognition of the environmental management systems in place to reduce waste. Graft Polymer only uses REACH and ROHS certificated raw materials instead of toxic raw materials, and its extensive R&D programme has also developed specialised recycling polymer additives which increases the strength of recycled blends and plastic products whilst also reducing plastic waste by between 40 and 50 per cent.

Graft Polymer is debt free.

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