



This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

27 September 2023

Graft Polymer (UK) PLC

Graft Polymer announces interim financial results at a time of strong momentum in new contract and R&D agreement signings, evidence of innovative and competitive edge

Graft Polymer, (LSE:GPL) the multi-sector specialist chemical company offering modified and alloyed polymer and bio-polymer solutions for refiners, compounders and processors, is pleased to announce its interim results for the period ended 30 June 2023.

Highlights

- Revenue £0.24m, down 27% year-on-year as we transitioned to our expanded bespoke production in Slovenia.
- Operating loss £1.0m, up £0.26m year-on-year.
- Cash of £0.52m as of 30 June 2023.
- Completion of Slovenian production facility in June and commissioning in July post £1.3m capex investment in state of the art machinery at the Slovenian plant. This has doubled the Company's production capacity, and enhanced our capabilities in polymer modification, biological supplements and drug delivery systems.
- Increase in operating expenses to support expanding marketing and joint development programmes with new and existing clients.
- Transition period ahead of expanded production facility startup resulted in revenue decrease in the financial period.
- Strong commercial momentum with contract, manufacturing, supply, distribution and R&D agreement signings post period close.
- Ongoing focus on sales for remainder of 2023 and 2024 with a healthy pipeline and scope for harnessing enlarged operations to win further and larger customer mandates.
- Expanding distribution and partnerships in new geographic markets.

Commenting on the results, Roby Zomer, Chairman, said: *"We are delighted with the successful commissioning of the expanded Slovenian plant which paves the way for industrial scale partners working with us. We have been through a pivotal investment period and are working hard to deliver the sales potential of the organisation. The Board is focused on evolving the building blocks for creating shareholder value and we are pleased with the confidence our partners continue to show in our innovative strengths and competitive edge in the polymer market".*

Clear strategic focus in high growth, high margin markets

The company continues to focus on two core areas - providing bespoke polymer modification solutions to the plastic and rubber processing industries to improve product functionality and environmental credentials; and providing nutritional supplements and drug delivery systems through our bio division. We have a market leading position in polymer modification, thanks to our pioneering R&D and competitive edge in technology which we are leveraging in high growth,

high margin markets using our industrial scale polymer modification and drug delivery platforms.

Our growing involvement in projects focused on producing sustainable, environmentally friendly products is testament to our commitment to effective ESG and playing an active role in evolving products to meet ever changing customer requirements.

Progress with drug delivery systems in first half

During the period, we made significant progress with drug delivery systems as evidenced by MGC Pharma's ArtemiC™ proprietary clinically tested COVID 19 treatment, which uses the Company's GraftBio® divisions drug delivery systems, being listed as an over-the-counter ('OTC') drug on the US Food and Drug Administration's National Drug Code Database. This paved the way for ArtemiC™ being sold via US based Pharmacy Benefit Management networks from April 2023.

Post Period events

Commissioning of Slovenian production site with doubled capacity

Following the end of the period, we announced the completion and commissioning of our bespoke production site in Slovenia, doubling the company's production capacity to 6,000 tonnes / year. This development leverages the company's IP for bio and pharma applications to expand the breadth of its product ranges and make our divisions quicker in responding to customer requirements. As such, it is a key step towards realising our growth ambitions, expanding our global footprint and competing with established peers, through our specialist approach focused on innovation and building cash generation. Now operational, it cements our position as a market leading, pioneering operator in both research and technology commercialisation within the polymer modification, biological supplement and drug delivery industries.

Strong production and distribution momentum post period with multiple new contracts signed

Following the completion and commissioning of the expanded Slovenian facility, the company has also made significant headway with R&D, manufacturing, supply and distribution agreements post period. As Graft Polymer's materials are key elements of our partners' and customers' formulations, our ability to demonstrate reliable supply capacity is critical to our ability to generate customer relationships. The commissioning of the expanded facility has therefore opened up multiple customer agreements.

In early July, we signed a one-year supply and distribution agreement with Austrian chemicals company Gabriel Chemie, one of Europe's leading producers of masterbatch, a solid or liquid additive used for colouring or imparting other properties to plastics. The agreement is for the companies to cooperate in research, production and marketing of dispersants for coloured and black masterbatches, involving polymer powders, porous granules and liquids with Gabriel Chemie committing to purchase our Graftalloy, Graftakit, Graftasynt, Graftalen and Graftabond products as well as further high-value products later in the year. Several projects based on a number of Graft Polymer products are now under trial (microbiological tests on a variety of polymers) with the client and we have recently delivered two further samples for our recycling project with them.

The Company announced the signing of a distribution agreement with leading US veterinary products company Inter-Technologies Inc. in July. This is a major step for sales of our GraftBio products in the US through Inter-Technologies' activities there and assists us in developing effective partnerships with market leading distributors. It is evidence of market appetite for our unique, patented technologies and gives us a platform to enter the large US pet supplements market. To date, product samples have been delivered to our distributor and we are in the process of receiving initial feedback on them.

In late August we announced the signing of a manufacturing service agreement with a prominent partner in the Israeli pharma market, with Graft Polymer acting as a lead contract manufacturing organization (CMO). Following the agreement, we will provide manufacturing services from our new Slovenian production facility to produce the Israeli company's patented haemostatic powder following a recent, successful pilot scheme. We see this product as a highly promising wound treatment and surgical support technique with large and readily addressable markets. We will be leveraging our R&D in the further development of this product, while creating a new material revenue stream for GraftBio and offering the client the benefits of our cost effective, rapid delivery capabilities. Samples have been released and shipped to our partner already, with field trials now underway.

At the end of August, the Company signed a supply and distribution agreement with Empresas Vilher, the Mexican company specialising in wood plastic composite, plastic recycling, and high-performance compounds. We had been working with the technical team from Vilher for several months on a variety of modified polymer projects which helped crystallise this agreement. Applications envisaged under the agreement include those in building and road construction, insulation, windows, and wall and roof products. We are currently in the final stages of confirming an additional order for a pallet of mixed products to be used in intensive industrial trials which will allow us to expand into a number of different fields.

In early September, we signed a further supply agreement with Forpet Baltic, a European FMCG packaging company, which

specialises in the production of recycled polyethylene terephthalate. PET is widely used for water and food containers and there is strong end-market demand for recycled PET material. Enhanced R&D will be a key catalyst for this growth and this is another example of Graft Polymer generating sustainable innovation through R&D and production partnerships. We have recently shipped the first set of samples so that lab trials can take place.

Positive outlook thanks to dynamic pipeline, R&D driven competitive advantage and financial strength

We are confident in the outlook to the end of this year and for 2024, based on the multiple opportunities we are pursuing and the pipeline of further projects to come. Our ability to operate effectively is underpinned by our solid financial structure and focus on cashflow generation. The Company is currently actively seeking additional funding, both non-dilutive and equity.

We have clear competitive advantage, thanks to our producing the most sophisticated, unparalleled polymer modifiers in the industry, our state of the art manufacturing facility in Slovenia, our proprietary process and patents which create high barriers to entry, and our ability to deliver a comprehensive range of polymer solutions. Our specialist R&D focus makes us agile in a constantly changing market and we operate in tandem with market leading international partners.

The future for Graft Polymer remains bright and full of potential. We look forward to providing further updates on our continued progress and would like to use this opportunity to thank all the team for their hard work and the continued progress that has been made since listing.

ENDS

For further information, visit www.graftpolymer.com, follow on Twitter @PolymerLtd or contact:

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About Graft Polymer

Graft Polymer is a London Stock Exchange listed company (GPL) with a cutting-edge, 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, including using 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 (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

	Note	Unaudited Six months to 30 Jun 2023 £'000	Unaudited Six months to 30 Jun 2022 £'000
Continuing operations			
Revenue	5	240	331
Cost of sales		(129)	(177)
Gross profit		111	154
Other income		-	15
Operational costs	6	(80)	(155)
Administrative expenses	6	(1,060)	(783)
Operating loss		(1,029)	(769)
Depreciation		(94)	(41)
Finance costs		(3)	(5)
Loss before taxation		(1,126)	(815)
Income tax		-	-
Loss for the period from continuing operations		(1,126)	(815)
Total loss for the period attributable to equity holders of the parent			
Other comprehensive income		38	-
Total comprehensive loss for the period attributable to equity holders of the parent		(1,088)	(815)
Loss per share (p)	7	(1.08)	(0.79)

The notes from an integral part of the Condensed Consolidated Interim Financial Statements.

GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Non-current assets				
Property, plant and equipment	8	805	324	674
Intangible assets	9	2,068	2,068	2,068

Other non-current assets		13	13	13
Right of use assets	10	47	-	27
Total non-current assets		2,933	2,405	2,782
Current assets				
Cash and cash equivalents		522	3,043	1,640
Trade and other receivables	11	136	347	330
Inventory		114	-	187
Total current assets		772	3,390	2,157
TOTAL ASSETS		3,705	5,795	4,939
Non-current liabilities				
Lease liability	10	29	27	18
Total non-current liabilities		29	27	18
Current liabilities				
Trade and other payables	12	197	178	322
Deferred Income		-	-	41
Lease liability	10	13	-	4
Total current liabilities		210	178	367
Total liabilities		239	205	385
NET ASSETS		3,466	5,590	4,554
Equity				
Issued share capital	13	41	41	41
Share premium	13	7,001	7,001	7,001
Share based payments reserve		858	-	858
Capital reduction reserve		2,500	2,500	2,500
Foreign exchange reserve		37	3	(1)
Share based payments reserve				858
Accumulated losses		(6,971)	(3,955)	(5,845)
TOTAL EQUITY		3,466	5,590	4,554

The notes from an integral part of the Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Interim Financial Statements were approved and authorised by the Board of Directors on 26 September 2023

Yifat Steuer
Chief Financial Officer

GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASHFLOWS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

	Unaudited Six months to 30 Jun 2023 £'000	Unaudited Six months to 30 Jun 2022 £'000
Cash flow from operating activities		
Operating loss - continuing operations	(1,126)	(815)

<i>Adjustments for:</i>		
Depreciation - property, plant & equipment	90	41
Depreciation - right of use asset	4	-
Finance charge	3	1
Foreign exchange movements	39	3
<i>Changes in working capital:</i>		
Decrease / (Increase) in trade and other receivables	175	(205)
(Decrease) in trade and other payables	(151)	(1,182)
Movement in inventories	73	-
Net cash outflow from operating activities	(893)	(2,172)
Cash flow from investing activities		
Purchase of property, plant and equipment	(237)	(47)
Net cash outflow from investing activities	(237)	(47)
Cash flows from financing activities		
Net proceeds from issue of shares	-	4,660
Net cash inflow from financing activities	-	4,660
Net (decrease)/increase in cash and cash equivalents	(1,130)	2,441
Cash and cash equivalents at beginning of period	1,640	598
Foreign exchange impact on cash	12	4
Cash and cash equivalents at the end of the period	522	3,043

GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2023

	Share capital	Shares to be issued	Share premium	CR reserve	SBP reserve	Foreign exchange Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 May 2021	7	-	942	2,500	-	(16)	(2,186)	1,247
Loss for period	-	-	-	-	-	-	(954)	(954)
Other comprehensive income	-	-	-	-	-	19	-	19
Total comprehensive loss for period	-	-	-	-	-	19	(954)	(935)
Transactions with owners in own capacity								
Shares to be issued	-	500	-	-	-	-	-	500
Transactions with owners in own capacity	-	500	-	-	-	-	-	500
Balance at 31 December 2021	7	500	942	2,500	-	3	(3,140)	812
Loss for period	-	-	-	-	-	-	(2,705)	(2,705)
Other comprehensive income	-	-	-	-	-	(4)	-	(4)
Total comprehensive loss for year	-	-	-	-	-	(4)	(2,705)	(2,709)

Transactions with owners in own capacity								
Ordinary Shares issued in the period	34	(500)	6,399	-	-	-	-	5,933
Advisor warrants issued	-	-	-	-	143	-	-	143
Employee options issued	-	-	-	-	715	-	-	715
Share Issue Costs	-	-	(340)	-	-	-	-	(340)
Transactions with owners in own capacity	34	(500)	6,059	-	858	-	-	6,451
Balance at 31 December 2022	41	-	7,001	2,500	858	(1)	(5,845)	4,554
Loss for period	-	-	-	-	-	-	(1,126)	(1,126)
Other comprehensive income	-	-	-	-	-	38	-	38
Total comprehensive loss for year	-	-	-	-	-	38	(1,126)	(1,088)
Transactions with owners in own capacity								
Transactions with owners in own capacity	-	-	-	-	-	-	-	-
Balance at 30 June 2023	41	-	7,001	2,500	858	37	(6,971)	3,466

**GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023**

1. GENERAL INFORMATION

Graft Polymer (UK) Plc ("the Company" or "GPUK") was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company on 1 July 2021. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company's registered number is 10776788.

The Group successfully completed an IPO and admission to the standard segment of the London Stock Exchange on 6 January 2022.

The principal activities of the Company and all of its subsidiaries (collectively referred to as "the Group") are the research, development and polymer modification technologies and polymer modification techniques.

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 26 September 2023.

2. ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

3. BASIS OF PREPARATION

The condensed consolidated interim financial statements ("financial statements") of Graft Polymer (UK) Plc for the six-month period ended 30 June 2023 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2022, which was prepared in accordance with UK adopted International Accounting Standards (IFRS) and the Companies Act 2006, and any public announcements made by Graft Polymer (UK) plc during the interim reporting period and since.

These financial statements do not constitute statutory accounts as defined in Section 434 of the

These financial statements do not constitute statutory accounts as defined in Section 477 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2022 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company's subsidiary is the Euro. The presentational currency of the Group is Pounds Sterling as this is the functional currency of the parent entity and also the currency in which equity fundraising has been facilitated. Amounts have been rounded to the nearest £'000.

The condensed consolidated interim financial statements have not been audited.

The business is not considered to be seasonal in nature.

3.1 GOING CONCERN

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a net loss before taxation for the period ended 30 June 2023 from continuing operations of £1,126k (30 June 2022: £815k) and had net cash outflows of £1,130k (30 June 2022: £2,441k inflow) for the period ended 30 June 2023. As at that date, the consolidated entity had net current assets of £575k (30 June 2022: £3,212k) and had cash and cash equivalents equal to £522k (30 June 2022: £3,043k).

These factors indicate material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern. The Directors are of the view that there are reasonable grounds to believe that the Group will continue as a going concern after consideration of the following factors:

- The Directors have confirmed that they are willing to forego fees in order to support the cash balance of the Group and will continue to monitor the net working capital position on a monthly basis;
- The Group may reasonably expect to maintain continued support from shareholders and other financiers that have supported the Group's previous capital raising to assist with meeting future funding needs

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

However, the Directors recognise that if further funding is required and is not subsequently secured, the outcome of which is uncertain until such funding is secured, there is a material uncertainty as to whether the going concern basis of accounting is appropriate.

3.2 PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties of the Group have not changed materially since the publication of the Group's last annual report for the period ending 31 December 2022. On this basis the Directors have not prepared a separate risk analysis in these financial statements.

3.3 CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period.

In preparing these financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the period ended 31 December 2022, with the nature and amounts of such estimates have not changed significantly during the interim period.

4. SEGEMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segments based on the

order to assess performance of the Group, management has determined the operating segments based on the reports reviewed by the Board.

The Board considers that during the six month period ended 30 June 2023 the Group operated in two segments being corporate function in the United Kingdom and polymer development and production in Slovenia.

Contributions per segment to operating loss from continued operations are detailed below:

	United Kingdom	Slovenia	Total
	£'000	£'000	£'000
Revenue	-	240	240
Cost of sales	-	(157)	(157)
Gross profit	-	83	83
Operational costs	-	(52)	(52)
Administrative expenses	(772)	(288)	(1,060)
Depreciation	-	(94)	(94)
Finance costs	-	(3)	(3)
Operating loss from continued operations per reportable segment	(772)	(354)	(1,126)
Reportable segment assets	2,635	1,070	3,705
Reportable segment liabilities	(117)	(122)	(239)
Total	2,518	948	3,466

5. REVENUE

	Period to 30 Jun 2023	Period to 30 Jun 2022
	£'000	£'000
Sales revenue	240	331
	240	331

6. OPERATING LOSS

Operating loss from continued operations is stated after (charging):

	Period to 30 Jun 2023	Period to 30 Jun 2022
	£'000	£'000
Operational costs	(80)	(155)
Director and employee costs	(620)	(324)
Professional and consulting fees	(163)	(277)
Travel expenses	(2)	(2)
Corporate and administrative costs	(150)	(145)
Other expenses	(31)	(26)
Foreign exchange	(94)	(9)
	(1,140)	(938)

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	Unaudited Period to 30 Jun 2023	Unaudited Period to 30 Jun 2022
Loss for the period from continuing operations - £ '000s	(1,126)	(815)
Weighted number of ordinary shares in issue	104,097,229	102,967,002
Basic and diluted earnings per share from continuing operations - pence	(1.08)	(0.79)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future. These were not included in the calculation and no diluted earnings per share presented as the Group is loss making and additional equity

instruments are anti-dilutive for the periods presented.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 July 2022	-	537	537
Additions	85	352	437
Exchange impact	4	48	52
At 31 December 2022 (audited)	89	937	1,026
Additions	13	224	237
Exchange impact	(12)	(26)	(38)
At 30 June 2023 (unaudited)	90	1,135	1,225
Depreciation			
At 1 July 2022	-	(275)	(275)
Charge for the year	(27)	(46)	(73)
Exchange impact	(2)	(2)	(4)
At 31 December 2022 (audited)	(29)	(323)	(352)
Charge for the period	(24)	(70)	(94)
Exchange impact	5	21	26
At 30 June 2023 (unaudited)	(48)	(372)	(420)
Net book value at 31 December 2022 (audited)	60	614	674
Net book value at 30 June 2023 (unaudited)	42	763	805

9. INTANGIBLE ASSETS

	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Opening balance	2,068	2,068	2,068
	2,068	2,068	2,068

At each period, the Directors assess the intangible assets for any indicators of impairment and have concluded no presence of such indicators, hence concluded that no impairment charge was necessary during the year (31 Dec 2022: £nil).

10. LEASES

Right of use assets

A reconciliation of the carrying amount of the right of use assets is as follows:

	30 Jun 2023 £'000	30 Jun 2022 £'000	31 Dec 2022 £'000
<i>Right-of-use assets</i>			
Motor vehicles	47	-	27
	47	-	27
<i>Lease liabilities</i>			
Current	13	-	4
Non-current	29	-	18
	42	-	22

30 Jun 30 Jun 31 Dec

	2023 £'000	2022 £'000	2022 £'000
Opening balance	27	-	-
Additions	24	-	32
Depreciation	(4)	-	(5)
	47	-	27

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	30 Jun 2023 £'000	30 Jun 2022 £'000	31 Dec 2022 £'000
Opening balance	22	-	-
Additions	26	-	28
Finance charge	3	-	2
Repayments	(9)	-	(8)
	42	-	22

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Trade receivables	84	25	35
Prepayments	-	152	232
Other taxes and social security	32	63	55
Other receivables	20	107	8
	136	347	330

12. TRADE AND OTHER PAYABLES

	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Trade payables	111	67	185
Accruals	66	72	114
Other payables	20	39	23
	197	178	322

13. SHARE CAPITAL

	Unaudited 30 Jun 2023	Unaudited 30 Jun 2022	Audited 30 Jun 2022
Number of shares	104,097,299	104,097,299	104,097,299
Nominal value (£'000)	41	41	41

Issued and fully paid ordinary shares with a nominal value of £0.001 (2022: £0.001)

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Balance at 31 December 2022	104,097,229	41	7,001	7,042
Balance at 30 June 2023	104,097,229	41	7,001	7,042

14. EVENTS SUBSEQUENT TO PERIOD END

Research and Development agreement entered into with Gabriel Chemie

On 6th July 2023 the Company entered into an R&D and supply agreement with Gabriel Chemie for a one year period. The two companies will cooperate in research, production and marketing of dispersants for coloured and black masterbatches. This will involve polymer powders, porous granules and liquids.

Gabriel Chemie, based in Austria with subsidiaries in Germany, UK, Hungary, Czech Republic, Poland, Italy, Spain and Russia, is well established with over 600 employees and historical annual revenues above €100m. They are one of Europe's leading producers of masterbatch which is a solid or liquid additive used for colouring plastics or imparting other properties. It gives the colourless raw polymer vibrant colours, effects and functional additives.

Cornerstone distribution agreement announced with leading US pet product distributor Inter-Technologies

On 26th July 2023 the Company entered into 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.

Other than as disclosed in these financial statements, there have been no further events subsequent to period end.

Research and Development and Supply Agreement with FORPET BALTIC

Graft and European FMCG packaging company, FORPET BALTIC, SIA ('FORPET'), will cooperate in the research and production of Recycled PET, a sustainable and environmentally friendly form of Polyethylene Terephthalate (a polyester widely used in the production of water bottles and food containers) and other sustainable packaging solutions. Once joint R&D is complete Graft will supply FORPET with the new product for manufacture.

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