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15 March 2024

Graft Polymer (UK) Plc
(the "Company")

New Chairman appointment, resignation of two directors, loan facility agreement, financial update and appointment of joint broker

Board changes

Graft Polymer Plc (LSE:GPL) announces the resignations of two directors of the Company these being Roby Zomer, the Non-Executive Chairman of the Company, and Alex Brooks a Non-Executive Director. Nicholas Nelson has today been appointed as a director of the Company replacing Mr Zomer as Non-Executive Chairman of the Company with immediate effect. Mr Zomer will remain as a consultant to the Company.

Nicholas Nelson commenced his career in the City in 1985 in stockbroking before moving into the financial PR industry in 1999. He has previously served as a director on the boards of seven small cap quoted companies, both in executive and non-executive positions.

New loan facility

The changes to the board follow the provision of a £100,000 working capital loan facility to the Company by Mr Nelson and another private individual (the "Loan Facility"). The Loan Facility is intended to be drawn down in full against expenses incurred by the Company as they arise, and it attracts an interest rate of 10% per month. Although the loan is technically repayable on demand, together with accumulated interest, it is mutually agreed in writing to convert all or any part of the outstanding balance of the Loan (including interest) in the form of new ordinary shares issued by the Company at a price and time agreed between the lenders and the Company.

Financial update

Over recent months the Company has experienced very difficult trading conditions due to the conflicts in the Middle East, Ukraine and the Red Sea. As a consequence, the Company's cash position has become extremely constrained thus necessitating the need for the Company to enter into the Loan Facility. The Loan Facility will allow the Company to continue to trade and will permit the Company's audit for the year ended 31 December 2023 to be completed.

Appointment of joint broker

The Company announces the appointment of Allenby Capital as joint broker to the Company.

Roby Zomer, outgoing Chairman, commented:

"The shocking conflicts taking place in the Middle East, Ukraine and the Red Sea have had a major impact on the Company and conspired to undermine our business development plans. With the severe constraints on our ability to trade, our financial position has become parlous, forcing the Company to undertake an urgent review of its future direction."

"We thank Nicholas and the other lender for providing us with interim working capital. Nicholas's priority as the incoming Chairman is to establish sources of additional funding whilst working with the board to consider the best future for Graft Polymer."

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