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3 July 2024

**Graft Polymer (UK) Plc
(the "Company", "GPL", "Graft Polymer" or "Group")**

**Placing to raise £1.8 million,
Publication of a Prospectus
and
Total Voting Rights**

Graft Polymer (UK) Plc (LSE: GPL), an innovative developer of biopolymer drug delivery systems aimed at enhancing the effectiveness of therapeutics for biopharmaceutical companies, is pleased to announce that it has conditionally raised £1.8 million (before expenses) through a placing of 1,800,000,000 new ordinary shares (the "Placing Shares") of GBP0.001 each in the capital of the Company (the "Ordinary Shares") at an issue price of 0.1 pence per new Ordinary Share (the "Issue Price") (the "Placing"). The Placing has been arranged by Allenby Capital Limited ("Allenby Capital").

The Company has today published a prospectus pursuant to the Prospectus Regulation Rules made by the FCA under Part VI of FSMA (the Financial Services and Markets Act 2000, as amended) (the "Prospectus"). The Prospectus is available on the Company's website at www.graftpolymer.com.

In recent months the Company has sought to address the challenges it has faced as a result of very difficult trading conditions and an extremely constrained working capital position. New board members, Nicholas Nelson (Non-Executive Chairman) and Anthony Tennyson (CEO), initiated an operational review which, to date, has seen the disposal of the Company's Slovenian polymer division and a strategic focus on GPL's Graft Bio division.

The Company intends to use the net proceeds of the Placing for: i) paying general and administrative expenses; ii) working capital purposes; iii) undertaking research and development; and iv) marketing expenditure.

Nicholas Nelson (Non-Executive Chairman) has subscribed for 25,000,000 Placing Shares. William Potts, a consultant to the Company, has subscribed for 400,000,000 Placing Shares, in each case at the Issue Price.

There is material uncertainty related to going concern if the Placing does not complete and this could result in an insolvency event for the Company if an immediate alternative source of funding is not found.

Focus on the healthcare industry

One key future area of focus for the Company will be to seek commercial opportunities for its patented self-nanoemulsifying drug delivery systems ("SNEDDS") platform in the healthcare industry, to enhance the bioavailability, pharmacokinetics, and stability of biopharmaceutical companies' therapeutics.

Recent patent filings

Recently, the Group submitted two utility patent applications (provisional) to the United States Patent and Trademark Office for the use of its SNEDDS platform in drug delivery for substance use disorders and mental health treatment.

On 28 May 2024, the Company filed the first of these applications titled "Composition and Methods for Substance Use Disorders (SUDS) using a Self-Nanoemulsifying Drug Delivery System (SNEDDS)," covering the innovative application of its SNEDDS platform to enhance the bioavailability, pharmacokinetics, and stability of therapeutics used in treating substance use disorders.

On 31 May 2024, the Company filed the second provisional patent titled "Composition and Methods for Mental Health Disorders using a Self-Nanoemulsifying Drug Delivery System (SNEDDS)," covering the innovative application of the Group's SNEDDS platform to enhance the bioavailability, pharmacokinetics, and stability of therapeutics used in treating mental health disorders such as Generalized Anxiety Disorder (GAD), Major Depressive Disorder (MDD), and Post-Traumatic Stress Disorder (PTSD).

The Company plans to seek commercial, partnership, joint venture and acquisition opportunities in this space and is currently evaluating a shortlist of five entities for potential future commercial collaboration.

Additional share issuances and grants of warrants

Nicholas Nelson (Non-Executive Chairman) and William Potts, a consultant to the Company (together the "Lenders") have provided a £200,000 working capital loan facility to the Company (the "Loan Facility"), details of which were announced on 15 March 2024 and 23 April 2024. The Loan Facility has been drawn in full and it has been agreed by the Lenders that repayment of the principal amount and all interest accrued will be satisfied by the issue of 132,000,000 new Ordinary Shares (the "Loan Conversion Shares") to each of the Lenders. Each Lender will also receive warrants over 132,000,000 new Ordinary Shares, exercisable at 0.1 pence per Ordinary Share for a period of three years from Admission (as defined below).

Further to a conditional fundraising by the Company announced on 22 December 2023, a total of 59,666,667 new Ordinary Shares (the "Management Shares") are to be issued at a price of 0.6 pence per Management Share (as set out below) in satisfaction of liabilities owed by the Company to those individuals:

Recipient of Management Shares	Role	Number of Management Shares
Victor Bolduev	CTO (Executive Director)	22,529,166
Roby Zomer	Former director	11,111,000
Yifat Steuer	CFO (Executive Director)	11,711,167
Pavel Kobzev	Executive Director	8,694,000
Alexander Brooks	Former director	2,810,667
Anthony Eastman	Company Secretary	2,810,667

In addition, it has been agreed that a total of 47,500,000 new Ordinary Shares (the "Fee Shares") will be issued at a price of 0.1 pence per Fee Share to various directors and advisers in lieu of fees owed to each of them. The Fee Shares being issued to the directors are as follows:

Recipient of Fee Shares	Role	Number of Fee Shares
Nicholas Nelson	Non-Executive Chairman	10,500,000
Pavel Kobzev	Executive Director	10,000,000
Yifat Steuer	CFO (Executive Director)	10,000,000

Separately, it has been agreed that Nicholas Nelson will receive warrants over 10,500,000 new Ordinary

separately, it has been agreed that Nicholas Nelson will receive warrants over 10,500,000 new Ordinary Shares and Yifat Steuer will receive warrants over 20,000,000 new Ordinary Shares, exercisable at 0.1 pence per Ordinary Share for three years from Admission (as defined below).

All of the above share issuances and grants of warrants are conditional *inter alia* on Admission (as defined below).

All options previously granted under the Company's existing LTIP (long term incentive plan) have lapsed. Following Admission (as defined below), the Company intends to grant options to directors and members of its management up to 15% of the Company's enlarged issued share capital.

Related Party Transactions

The Company is undertaking material related party transactions with Nicholas Nelson (Non-Executive Chairman) for the purpose of rule 7.3 of the FCA's Disclosure Guidance and Transparency Rules in relation to the following matters:

- a) repayment of the principal and interest accrued on the Loan Facility as detailed above which will result in the issue to him of 132,000,000 Loan Conversion Shares equivalent to £132,000 at a price of 0.1 pence per share; and
- b) grant of warrants over 132,000,000 new ordinary shares in relation to the Loan Facility, equivalent to £132,000 at the exercise price of 0.1 pence per share (exercise period of three years from Admission).

These material related party transactions have been approved by the board of directors of the Company. Mr Nelson did not take part in the board of directors' consideration of the transactions with him and he did not vote on the relevant board decision.

The Company is also undertaking material related party transactions with Victor Bolduev (Executive Director), Roby Zomer (former director), Pavel Kobzev (Executive Director) and Yifat Steuer (Executive Director) in relation to the issue of the Management Shares for the purpose of rule 7.3 of the FCA's Disclosure Guidance and Transparency Rules, as further detailed below:

- a) Victor Bolduev will receive 22,529,166 Management Shares equivalent to £135,175 at a price of 0.6 pence per share;
- b) Roby Zomer will receive 11,111,000 Management Shares equivalent to £66,666 at a price of 0.6 pence per share;
- c) Pavel Kobzev will receive 8,694,000 Management Shares equivalent to £52,164 at a price of 0.6 pence per share; and
- d) Yifat Steuer will receive 11,711,167 Management Shares equivalent to £70,267 at a price of 0.6 pence per share.

These material related party transactions have been approved by the board of directors of the Company. The relevant recipients of the Management Shares (being Victor Bolduev, Pavel Kobzev and Yifat Steuer) did not take part in the board of directors' consideration of the transactions with them and they did not vote on the relevant board decision.

Directors' shareholdings on Admission

Director	Role	Shareholding on Admission	% of enlarged issued share capital on Admission
Nicholas Nelson	Non-Executive Chairman	167,500,000	7.03
Anthony Tennyson	Chief Executive Officer	-	-
Yifat Steuer	Chief Financial Officer	21,900,928	0.95
Victor Bolduev	Chief Technical Officer	52,983,778	2.31
Pavel Kobzev	Executive Director	20,050,886	0.87

Further details

The Placing Shares, the Loan Conversion Shares, the Fee Shares and the Management Shares are being issued pursuant to the authorities granted at the Company's annual general meeting which took place on 28 June 2024.

The Placing is conditional on the related placing agreement entered into between the Company and Allenby Capital becoming unconditional in all respects and not having been terminated in accordance with its terms.

Application will be made for admission of the Placing Shares, the Loan Conversion Shares, the Fee Shares and the Management Shares to trading on the Main Market of the London Stock Exchange and to listing on the Standard Segment of the FCA's Official List ("Admission"). It is expected that Admission will become effective on or around 10 July 2024.

Total Voting Rights

Upon Admission, the Company's issued ordinary share capital will consist of 2,295,930,633 Ordinary Shares with one voting right each. The Company does not hold any Ordinary Shares in treasury. Therefore, from Admission the total number of Ordinary Shares and voting rights in the Company will be 2,295,930,633. With effect from Admission, this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Enquiries:

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Guy McDougall (Sales)

About Graft Polymer (UK) Plc

Graft Polymer (UK) Plc (LSE: GPL) is an innovative developer of biopolymer drug delivery systems dedicated to assisting biopharmaceutical companies in enhancing the effectiveness of their therapeutics. Our proprietary patented platform, a bioabsorbable self-nanoemulsifying drug delivery system (SNEDDS), represents a cutting-edge solution in drug delivery technology. By integrating active pharmaceutical ingredients (APIs) into our novel, patented delivery systems, we enable clients to improve the bioavailability, pharmacokinetics, and stability of their therapeutics.

Notice to Distributors

This Announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This Announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "**manufacturer**" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Allenby Capital has only procured investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of chapters 9A or 10A respectively of COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended and as this is applied in the United Kingdom ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and Regulation (EU) No 600/2014 of the European Parliament, as they form part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "**manufacturer**" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors who do not need a guaranteed income or capital protection and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). The Ordinary Shares are not appropriate for a target market of investors whose objectives include no capital loss. Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital projection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Allenby Capital has only procured investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not

clients and eligible counterparties. For the avoidance of doubt, the target market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

Forward Looking Statements

This Announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this Announcement and include statements regarding the directors' beliefs or current expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement.

Notice to overseas persons

This Announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

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This Announcement has been issued by, and is the sole responsibility of, the Company.

Allenby Capital, which is authorised and regulated by the FCA in the United Kingdom, is acting as Broker to the Company in connection with the Placing. Allenby Capital will not be responsible to any person other than the Company for providing the protections afforded to clients of Allenby Capital or for providing advice to any other person in connection with the Placing or any acquisition of shares in the Company. Allenby Capital has not authorised the contents of, or any part of, this Announcement, no representation or warranty, express or implied, is made by Allenby Capital in respect of such contents, and no liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this Announcement or for the omission of any material information, save that nothing shall limit the liability of Allenby Capital for its own fraud.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The new Ordinary Shares will not be admitted to trading on any stock exchange other than the Main Market of

the London Stock Exchange and to listing on the Standard Segment of the FCA's Official List.

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