

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who specializes in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (“FSMA”).**

This Document comprises a prospectus relating to Graft Polymer (UK) PLC prepared in accordance with the UK version of Regulation (EU) 2017/1129 which is part of the UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus Regulations 2019)) (the “**UK Prospectus Regulation**”) and the prospectus regulation rules of the Financial Conduct Authority (the “**FCA**”) (the “**Prospectus Regulation Rules**”). This Document has been approved by the FCA as the competent authority under the UK Prospectus Regulation and has been filed with the FCA in accordance with the Prospectus Regulation Rules. The FCA only approves this prospectus Document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the quality of the securities that are, or the Company which is, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

This Document together with the Documents incorporated into it by reference (as set out in Part IV) will be made available to the public in accordance with Prospectus Regulation Rule 3.2 by the same being made available free of charge at <https://graftpolymer.com/investors-relations> and at the Company’s registered office at Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF.

To the best of the knowledge of the Company and the Directors, the information contained in this Document is in accordance with the facts and this Document does not omit anything likely to affect the import of such information.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT INCLUDING ALL THE INFORMATION INCORPORATED BY REFERENCE SHOULD BE READ BY PROSPECTIVE INVESTORS. IN PARTICULAR YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES OF THE COMPANY, AS SET OUT IN THE SECTION ENTITLED “RISK FACTORS” BEGINNING ON PAGE 11 OF THIS DOCUMENT, WHICH YOU SHOULD READ IN FULL.**

The Company and each of the Directors whose names appear on page 22 accept responsibility for this Document and its contents. The Company and each of the Directors confirm that to the best of their knowledge, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

## **GRAFT POLYMER (UK) PLC**

*(Incorporated and registered in England and Wales with registered number 10776788)*

**Placing of 1,800,000,000 new Ordinary Shares of £0.001 each at the Placing Price of £0.001 per Ordinary Share**

**and**

**Admission to the Official List of 2,171,166,667 Ordinary Shares of £0.001 each (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange PLC’s Main Market for listed securities**

## **ALLENBY CAPITAL LIMITED**



The Existing Ordinary Shares are listed on the Official List (by way of a Standard Listing) maintained by the FCA and traded on the London Stock Exchange’s Main Market for listed securities. Applications will be made to the FCA and the London Stock Exchange for the Placing Shares to be admitted to the Official List and to trading on the Main Market.

It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence at 8.00 a.m. (London time) on 10 July 2024. No application is currently intended to be made for the Placing Shares to be admitted to listing or dealing on any other exchange. The Company will comply with its obligation to publish a further supplementary prospectus containing further updated information required by law or any regulatory authority but assumes no further obligation to publish additional information.

Allenby Capital Limited (“**Allenby Capital**” or the “**Broker**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as Broker exclusively for the Company and no-one else in connection with the proposed Fundraise and Admission and will not regard any other person as its client in relation to the proposed Fundraise and Admission (including any recipient of this Document) and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby Capital, nor for providing advice in connection with the proposed Fundraise and Admission or any other matter or arrangement referred to in this Document.

Allenby Capital has been appointed by the Company as Broker in connection with the Fundraise. Allenby Capital, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no one else in relation to the Fundraise. Allenby Capital will not regard any other person (whether or not a recipient of this Document) as its client in relation to the Fundraise and Admission and will not be responsible to anyone (other than the Company in respect of the Fundraise and Admission) for protections afforded to the clients of Allenby Capital for providing any advice in relation to the Fundraise or Admission, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible. However, nothing in this paragraph excludes or limits any responsibility which Allenby Capital may have under the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, or which, by law or regulation cannot otherwise be limited or excluded.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction (as defined below), at the Company’s website <https://graftpolymer.com/investors-relations>. Neither the content of the Company’s website nor any website accessible by hyperlinks to the Company’s website is incorporated in, or forms part of, this Document.

The Ordinary Shares comprising the Enlarged Issued Share Capital will rank pari passu in all respects with all Ordinary Shares in issue on Admission, including the right to receive all dividends and other distributions declared following Admission.

**This Document does not constitute an offer to sell or invitation to subscribe for, or solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.** The Ordinary Shares have not been, nor will they be, registered under the US Securities Act or under

the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from the United States, Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen of the United States, or any person resident in Canada, Australia, the Republic of South Africa or Japan. The distribution of this Document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this Document comes should inform themselves of and observe any restrictions. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act pursuant to the exemption provided by Section 3(c)(7) thereof and Shareholders will not be entitled to the benefits of that Act. The Ordinary Shares are being offered outside the United States in offshore transactions within the meaning of and in accordance with the safe harbour from the registration requirements provided by Regulation S under the US Securities Act. The Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing commissions or authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States. The distribution of this Document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

Information to Distributors: Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; 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 Ordinary 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 MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). 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 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 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 will only procure investors who meet the criteria of professional 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.

Allenby Capital is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

#### **Notice to overseas shareholders**

The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Ordinary Shares may not be offered or sold in the United States, except to qualified institutional buyers, as defined in, and in reliance on, the exemption from the registration requirements of the U.S. Securities Act provided in Rule 144A under the U.S. Securities Act or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Outside of the United States, the Placing is being made in offshore transactions as defined in Regulation S of the U.S. Securities Act. No actions have been taken to allow a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction, including Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction (a "**Restricted Jurisdiction**"). This document does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Ordinary Shares to any person in any Restricted Jurisdiction. The Ordinary Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Other than in the UK, no action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Ordinary Shares) in any Restricted Jurisdiction. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no actions have been or will be taken to permit a public offering of the Ordinary Shares under the applicable securities laws of any Restricted Jurisdiction. For a description of these and certain further restrictions on the offer, subscription, sale and transfer of the Ordinary Shares and distribution of this document, please see the Important Information section of this Document.

#### **Available information for investors in the United States**

For so long as any of the Ordinary Shares are in issue and are 'restricted securities' within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which it is not subject to section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of an Ordinary Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with listings on the premium segment of the Official List ("**Premium Listing**") which are subject to additional obligations under the Listing Rules.

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## SUMMARY

### 1 INTRODUCTION AND WARNINGS

#### 1.1 Introduction

The legal and commercial name of the issuer is Graft Polymer (UK) PLC (the “**Company**”). The Company is a public limited company incorporated and registered in England and Wales on 18 May 2017 with registered company number 10776788. Its registered office is situated at Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF. The Company’s International Securities Identification Number (“**ISIN**”) is GB00BMD1Z199 and its legal entity identifier (“**LEI**”) is 2138005PH7OJRCRPUD88. The Company can be contacted by writing at its registered office located at Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF and telephone number 020 4524 9900. This Document was approved on 3 July 2024 by the Financial Conduct Authority (the “**FCA**”), as the ‘competent authority’ in the United Kingdom. The FCA may be contacted at: Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and its telephone number is 020 7066 1000.

#### 1.2 Warnings

This summary should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the Investor. The Investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document, or where it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

### 2 KEY INFORMATION ON THE ISSUER

#### 2.1 Who is the Issuer of the Securities?

The legal and commercial name of the issuer is Graft Polymer (UK) PLC. The Company is a public limited company incorporated and registered in England and Wales on 18 May 2017 with registered company number 10776788. The Company operates under the Companies Act 2006 (the “**Act**”). The LEI of the Company is 2138005PH7OJRCRPUD88. On 6 January 2022, the Company’s Ordinary Shares were admitted to the Standard Listed segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities (“**IPO Admission**”).

#### ***Current operations/Principal activities and markets***

Historically the Group was focused on two core activities with two separate divisions: its Bio Division, which is focused on researching and developing bio-polymer based drug delivery systems to improve drug delivery pharmacokinetics, bioavailability, and the stability of medicines for healthcare industry companies and its Polymer Division, a division providing bespoke polymer modification solutions to improve product functionality and environmental credentials for plastic and rubber processing industry companies. The Group’s manufacturing and production activities associated with its Polymer Division were undertaken by the Company’s former Slovenian subsidiary, Graft Polymer Slovenia, up until its disposal on 2 May 2024.

The Board undertook a detailed review and analysis of its business operations and financial position prior to the consummation of the Disposal. It was particularly noted that: (i) the Group incurred a loss before taxation of £3.12 million for the financial year ended 31 December 2023; and (ii) Graft Polymer Slovenia would impose on the Group recurring fixed costs of approximately £60,000 per month with a significant proportion being applied to the payment of salaries and payroll related costs.

The Directors noted that trading activities for the Company’s industrial polymer business in Slovenia had been extremely difficult during the previous two years, which resulted in a significant depletion of funds and no clear source of revenue to support its operations. It was decided that the industrial manufacturing activities in Slovenia had become untenable and it was necessary to undertake the Disposal to enable management to focus their attention on its promising Bio Division.

The Disposal has enabled the Company to immediately reduce costs and overheads. The Board has decided that the Company will not actively pursue new opportunities in the industrial polymer sector. The Group is now focused on operating as a healthcare company. This Document is being published in connection with the Fundraising and for the reasons more particularly described in Section 4.2 of this Summary.

The Group’s healthcare business strategy benefits from extensive knowledge, industry experience and a developed library of intellectual property rights. The Company expects to generate revenues from a combination of existing royalty agreements and future profit sharing and royalty agreements, which would be borne out of existing research and development agreements and to seek out partnership and joint venture opportunities with other healthcare companies.

Certain existing customers of the Company’s industrial polymer business may continue to contract with the Company for research and development, or consultancy services. The Company is no longer able to offer manufacturing services, and it will therefore seek to outsource such activities or partner with customers who have in-house manufacturing capabilities (if required). The Company may generate revenue from profit sharing

and royalty-based arrangements with such customers where the Company has been responsible for developing intellectual property used by customers in their manufacturing and production processes.

### **Group Structure**

The Company is the holding company of two subsidiaries, brief details of which are summarised below.

<b>Name</b>	<b>Territory of Registration</b>	<b>Date of Incorporation</b>	<b>Registered Number</b>	<b>Principal Activities</b>
Graft Polymer IP Limited	England and Wales	25 January 2021	13155105	Intellectual property holding company
GraftBio Limited	England and Wales	5 September 2022	14335261	Bio-polymer research and development company

### **Major Shareholders**

All holders of Ordinary Shares (“**Shareholders**”) have the same voting rights in respect of the existing share capital of the Company. As at 2 July 2024 (the latest practicable date prior to publication of this Document (the “**Last Practicable Date**”)) and insofar as is known to the Company, the following persons have, directly or indirectly, interests in 3 per cent or more of the issued share capital of the Company, and will have the following interests immediately following Admission:

<b>Shareholder</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Number of Ordinary Shares on Admission</b>	<b>Percentage of Enlarged Issued Share Capital on Admission</b>
Victor Bolduev (1)	30,454,612	24.41%	52,983,778	2.31%
Craig Burton (2)	13,935,020	11.17%	13,935,020	0.61%
Roby Zomer (3)	5,451,337	4.37%	16,562,337	0.72%
Brett Mitchell (4)	7,869,217	6.31%	7,869,217	0.34%
Premier Fund Managers Limited	5,510,546	4.42%	5,510,546	0.24%
Peel Hunt LLP	6,716,986	5.38%	106,716,986	4.65%
William Potts	-	-	532,000,000	23.17%
Nicholas Nelson (5)	-	-	167,500,000	7.30%
Paul Levinson	-	-	75,000,000	3.27%

(1) Victor Bolduev is a Director.

(2) Craig Burton holds his shares through a nominee company, P H Nominees Limited.

(3) Roby Zomer holds 4.37% of his shares through a nominee company, Chitta Lu Limited. On Admission, he will hold 0.72% of his shares through Chitta Lu Limited.

(4) Brett Mitchell holds 5.01% of his shares through a nominee company, Platypus Assets Pty Ltd, and 0.60% of his shares through Lefthanders Superfund and 0.70% of his shares are held by Sputnik Enterprises Limited, an entity that he owns 50%. On Admission, he will hold 0.27% of his shares through Platypus Assets Pty Ltd, 0.03% of his shares through Lefthanders Superfund and 0.04% of his shares through Sputnik Enterprises Limited.

(5) Nicholas Nelson is a Director.

The voting rights of all shareholders are the same in respect of each Ordinary Share held.

The Company and the Directors are not aware of any persons, who, as at the Last Practicable Date, directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor are they aware of any arrangements the operation of which may at a subsequent date result in a change in control over the Company.

#### **Directors and company secretary**

The Company has a total of five Directors, being, Nicholas Nelson (Non-Executive Chairman), Anthony Tennyson (Chief Executive Officer), Yifat Steuer (Chief Financial Officer), Victor Bolduev (Chief Technology Officer) and Pavel Kobzev (Executive Director). Mr. Anthony Eastman has been engaged as company secretary through Tournesol Consulting Limited.

#### **Statutory Auditors**

The Company's statutory auditors are PKF Littlejohn LLP whose registered address is 15 Westferry Circus, Canary Wharf, London E14 4HD.

## **2.2 What is the key financial information regarding the Issuer?**

### **Selected historical key financial information – The Group**

Selected key historical financial information relating to the Group for the most recent financial years ended 31 December 2023 and 31 December 2022 is set out in the table below, extracted from information incorporated by reference. The information has been presented in accordance with the UK version of Annex 3 of European Commission Delegated Regulation (EU) 2019/979:

**Table 1 – Income Statement for the Group**

	Year ended 31 December 2023 (Audited) £'000	Year ended 31 December 2022 (Audited) £'000
Total revenue	587	542
Operating loss	(3,117)	(2,701)
Net loss	(3,120)	(2,705)
Operating profit margin	n/a	n/a
Net profit margin	n/a	n/a
Earnings per share – pence	(3.00)	(2.61)

**Table 2 – Balance Sheet for the Group**

	Year ended 31 December 2023 (Audited) £'000	Year ended 31 December 2022 (Audited) £'000
Total assets	2,434	4,939
Total equity	2,026	4,554
Total liabilities	408	385

**Table 3 – Cash Flow Statement for the Group**

	Year ended 31 December 2023 (Audited) £'000	Year ended 31 December 2022 (Audited) £'000
Net Cash used in operating activities	(1,238)	(2,360)
Net cash used in investing activities	(232)	(718)
Net cash from financing activities	-	4,135

### **Pro forma financial information**

Not applicable. No pro forma financial information is included in this prospectus.

### **Brief description of any qualifications in the audit report**

Not applicable. There are no qualifications in the accountant's report relating to the historical financial information. However, the audits did highlight a material uncertainty relating to going concern as the Group had experienced recurring losses and the Group's ability to continue as a going concern was dependent on the Group's ability to successfully fund its operations by generating cashflow from operations and, where required, raising additional capital.

### **Post balance sheet events**

The conflicts in the Middle East, Ukraine and the Red Sea significantly disrupted operations and presented substantial challenges to the Board's ability to manage the future. These conflicts particularly impacted trading capabilities, resulting in elevated logistical costs for raw materials imported from China along with cashflow risks. Added to this was the general economic turmoil in Europe leading to reduced overall demand.

As a result, the Company's revenues continued to fall short of hopes for a second year running thus depleting cash reserves. The Company took the view that these woeful trading conditions for Graft Polymer's manufacturing facility held by Graft Polymer Slovenia were likely to continue. On 2 May 2024, the Company entered into a share purchase agreement, pursuant to which the Company agreed to transfer the entire issued capital of Graft Polymer Slovenia to a Trustee for a nominal consideration of €1 (one euro). Consequently, all assets and liabilities of Graft Polymer Slovenia have been disposed of (the "Disposal") and any outstanding amount between the Group or its subsidiaries and Graft Polymer Slovenia was written off.

## **2.3 What are the key risks that are specific to the Issuer?**

- The latest audited accounts of the Company for the year ended 31 December 2023 show that the Company is loss making and there is a material uncertainty as to going concern. This risk will be mitigated by the Fundraising which will provide the working capital required by the Group.
- The Group is currently loss making, recording a net loss of £3,120,000 (before taxation) for the year ended 31 December 2023 and the Group has no clear source of revenue.
- The Company is proposing to allot and issue a total 2,171,166,667 new Ordinary Shares, which will result in the existing shareholders of the Company being diluted by approximately 95 per cent (based upon their pro-rata holdings as at the date of this Document and assuming only the New Shares are issued and allotted on Admission).
- On Admission, it is expected that there will be a total of 307,589,147 Warrants in issue, representing approximately 13.40 per cent. of the Enlarged Issued Share Capital. Existing Shareholders and Investors should therefore be aware that they may experience dilution following Admission as a result of the exercise of those securities.
- The existing license of the Group's drug delivery systems may ultimately fail to deliver revenues through royalty payments in accordance with management's expectations or at all.
- A core asset of the Group is the intellectual property rights in its drug delivery system. A failure to protect those intellectual property rights and its portfolio of intellectual property rights, more generally, may have an adverse impact on the financial condition of the Group.

## **3 KEY INFORMATION ON THE SECURITIES**

### **3.1 What are the main features of the securities?**

Investors are subscribing for an aggregate total of 1,800,000,000 new ordinary shares of £0.001 each as part of the Placing for a subscription price of £0.001 each. The Shares will be registered with ISIN number GB00BMD1Z199 and SEDOL number BMD1Z19.

The Shares are denominated in Pounds Sterling and the price paid is in Pounds Sterling. As at the date of this Document, the Company has an issued share capital of £124,763.97, comprising 124,763,966 fully paid ordinary shares having a nominal value of £0.001 each.

On Admission, it is expected there will be 2,295,930,633 Ordinary Shares of £0.001 each in issue comprising (i) 124,763,966 Ordinary Shares that exist as at the date of this Document ("**Existing Ordinary Shares**"); (ii) 1,800,000,000 Placing Shares; (iii) 47,500,000 Fee Shares; (iv) 264,000,000 Conversion Shares; and (v) 59,666,667 Management Shares. The term of the securities is perpetual. Application will be made for 2,171,166,667 Ordinary Shares to be admitted to listing on the Official List of the FCA with a Standard Listing and to trading on the London Stock Exchange's Main Market.

The rights attaching to the Ordinary Shares are uniform in all respects and they form a single class for all purposes, including with respect to voting, dividends and other distributions thereafter declared, made or paid on the Ordinary Shares. Shareholders have the right to receive notice of, and to attend and vote at, any meetings of members. Subject to the Companies Act 2006 (as amended), on a winding-up of the Company, the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of shares pro rata to the number of such fully paid-up Ordinary Shares (by each holder as the case may be) relative to the total number of issued Ordinary Shares.

The Shares are freely transferable and there are no restrictions on transfer subject to compliance with applicable securities laws (including the CREST Regulations) and the following provisions of the Company's Articles of Association. The Directors may refuse to register a transfer of Ordinary Shares which is in certificated form, unless the instrument of transfer: (i) is in respect of a fully paid share and a share on which the Company does not have a lien; (ii) is in respect of only one class of share; (iii) is in favour of not more than four joint transferees; (iv) is duly stamped (if required); and (v) is lodged at the Company's registered office or such other place as the Board of the Company ("**Board**") may decide accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person to whom no certificate was issued) and such evidence to prove the title of the transferor to the shares and the due execution by them of the transfer.

The Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date, depending upon the generation of sustainable profits and the Company's financial position, when it becomes commercially prudent to do so.

### 3.2 **Where will the securities be traded?**

Subject to the Fundraising becoming unconditional in all respects, application will be made to the FCA for 2,171,166,667 Ordinary Shares ("**New Shares**") to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 10 July 2024.

### 3.3 **Is there a guarantee attached to the securities?**

No.

### 3.4 **What are the key risks that are specific to the securities?**

- Trading in the Ordinary Shares is likely to be relatively illiquid and the market price of the Ordinary Shares will be subject to volatility. This may result in investors being unable to recover the original value of their investment.
- Dividend payments may not be declared on the Ordinary Shares.

## 4 **Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market**

### 4.1 **Under which conditions and timetable can I invest in this security?**

#### **General Terms and Conditions**

The Placing Shares will be distributed pursuant to the Placing arranged by Allenby Capital as agent for the Company and the Placing is conditional on Admission occurring and becoming effective by 8.00 a.m. on, or prior to, 10 July 2024 (or such later date as may be agreed by Allenby Capital and the Company, but in any event no later than 31 July 2024) and the Placing not having been terminated by Allenby Capital in accordance with the terms of the Placing Letter. The Placing and Admission are inter-conditional.

#### **Expected Timetable**

Publication of this Document	3 July 2024
Admission of New Shares	8.00 a.m. on 10 July 2024
CREST members' accounts credited in respect of New Shares	8.00 a.m. on 10 July 2024
Share Certificates despatched	within 14 days of Admission

#### **Details of Admission to Trading**

The securities subject to Admission are a total of 2,171,166,667 Ordinary Shares of £0.001 each comprising: (i) 1,800,000,000 Placing Shares; (ii) 59,666,667 Management Shares; (iii) 47,500,000 Fees Shares; and (v) 264,000,000 Conversion Shares. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 10 July 2024.



### **Immediate dilution pursuant to the Fundraise**

Pursuant to the Fundraise, 1,800,000,000 Ordinary Shares have been conditionally subscribed for by certain investors at the Placing Price, representing 78.40 per cent of the Enlarged Issued Share Capital. The Fundraise will result in the existing share capital being diluted so as to constitute 5.43 per cent of the Enlarged Issued Share Capital and 4.79 per cent of the fully diluted issued share capital of the Company.

### **Plan for Distribution**

The Placing Shares will be offered by Allenby, as Placing Agent.

### **Total Expenses of the Issue**

The total expenses incurred (or to be incurred) by the Company in connection with the Admission are approximately £315,000. The total net Fundraise proceeds on this basis are approximately £1.485m (the "**Net Proceeds**"). No expenses will be charged by the Company to Placees in connection with the Fundraise.

## 4.2 **Why is this Document being produced?**

### **Reasons for the Fundraise and Use of Proceeds**

The Fundraising is necessary to support the Company's immediate working capital requirements and to enable the Company to implement its business strategy. The Fundraising is necessary to enable the Company to continue as a going concern.

The Company expects to raise Net Proceeds of approximately £1.485m from the Fundraise. In the 18 months following Admission, the Group intends to use the Net Proceeds predominantly towards the items listed below. The Directors currently intend to allocate the Net Proceeds amongst those proposed uses in approximately the following proportions:

<b>Proposed Use</b>	<b>Estimated Expenditure (£'000)</b>
General working capital and corporate expenses	£647
Research and Development Expenses	£560
Marketing Expenses	£90
Contingency	£201
Non-cash costs	£(13)
<b>Total</b>	<b>£1,485</b>

### **Indication of whether the offer is subject to an underwriting agreement**

The Fundraise is not being underwritten. Allenby Capital as the Company's agent has procured irrevocable commitments to subscribe for the full amount of Placing Shares from investors, and there are no conditions attached to such irrevocable commitments other than Admission and the Placing Agreement not having terminated.

### **Material Interests**

Save as disclosed herein, there are no interests, including any conflicting interest, known to the Company that are material to the Company or the Fundraise.

- a) Nicholas Nelson, a Director, has agreed to subscribe for a total of 25,000,000 Placing Shares, as part of the Placing.
- b) Nicholas Nelson (a current Director) and William Potts (the "**Lenders**") provided a working capital loan to the Company in the aggregate amount of £200,000, pursuant to a loan agreement dated 14 March 2024 as amended by the parties on 23 April 2024 (the "**Loan Facility**"). The Loan Facility has been drawn down in full against expenses incurred by the Company and attracts a monthly interest rate of 10%. The Loan Facility is repayable on demand, together with accumulated interest, however, the Lenders have the option to convert all or any part of the outstanding balance (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 (the "**Conversion Shares**"). It has been agreed that, conditional on Admission, the sum of £264,000 (including all accrued interest) outstanding under the Loan Facility will be converted into 264,000,000 Conversion Shares, of which Nicholas Nelson will receive a total of 132,000,000 Conversion Shares. In addition, the Lenders will be granted the Lender Warrants, pursuant to which Nicholas Nelson will receive a total of 132,000,000 Lender Warrants.
- c) Victor Bolduev, Roby Zomer (a former Director), Yifat Steuer, Pavel Kobzev, Alexander Brooks (a former Director), Anthony Eastman (as company secretary) and entities associated with them have subscribed for

a total of 59,666,667 Ordinary Shares conditional upon the publication of this Document and Admission ("**Management Shares**"). The consideration for the grant of these Management Shares is the release of the debt owed by the Company to each of these individuals and entities associated with them. The existing Directors will receive the following number of Management Shares, (a) Victor Bolduev will be issued 22,529,166 Management Shares; (b) Yifat Steuer will be issued 11,711,167 Management Shares; and (c) Pavel Kobzev will be issued 8,694,000 Management Shares.

- d) Conditional upon Admission, the Company will issue and allot an aggregate total of 47,500,000 Fee Shares in satisfaction of monies owed to various directors, consultants, and advisers to the Company. From the pool of Fee Shares, the following Directors will be issued and allotted Fee Shares: (a) Nicholas Nelson will be issued 10,500,000 Fee Shares; (b) Pavel Kobez will be issued 10,000,000 Fee Shares; and (c) Yifat Steuer will be issued 10,000,000 Fee Shares. Orana will be issued a total of 12,500,000 Fee Shares, a corporate entity related to company secretary Anthony Eastman (company secretary).
- e) Conditional on Admission, the Company has agreed to grant a total of 30,500,000 Director Warrants, which are to be allocated to both Nicholas Nelson (who will hold a total of 10,500,000 Director Warrants) and Yifat Steuer (who will hold a total of 20,000,000 Director Warrants).
- f) During the period ended 31 December 2023, the Group received €185,425 of revenue from Argent. Roby Zomer was a director of both the Company and Argent BioPharma Limited. Yifat also serves as Chief Operating Officer of Argent.
- g) In accordance with the terms of the letters of appointment or service agreements entered into by each of the Directors, further details of which are set out in paragraph 4 of Part II of this Document, the Directors may be required to seek the agreement of the Board before accepting commitments outside their role in the Group, in addition to those already disclosed to the Company, which might give rise to a conflict of interest with any of their duties to the Group.

## RISK FACTORS

*Investment in the Company and the Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Shares.*

*Prospective investors should note that the risks relating to the Company, its industry and the Shares summarised in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.*

*The risks referred to below are those risks the Company and the Directors, consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Document carefully and, in its entirety, and consult with their professional advisers before acquiring any Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Shares and/or the level of dividends or distributions (if any) received from the Shares could decline significantly. Further, Investors could lose all or part of their investment.*

### 1. RISKS RELATING TO THE TRANSACTIONS SET OUT IN THIS PROSPECTUS

#### a) **The latest audited accounts of the Company for the year ended 31 December 2023 shows that the Company is loss making and there is a material uncertainty in relation to going concern.**

The latest audited accounts of the Company for the year ended 31 December 2023 show that it was loss making and not cash generative. Group cash levels reduced during the year to £155,000 and have diminished further since the year end. The retained loss position increased to £8,965,000 in the year and net assets fell to £2,026,000, as a result of the continued losses incurred, which included a 100% write-down in the value of property plant and equipment and a material write down of the inventory of the Group by £838,000.

The Directors have adopted the following measures in recent months in response to the worsening financial position of the Group:

- the Company obtained a working capital facility in the amount of £200,000 to support its immediate working capital requirements; and
- It was noted that the Company's Slovenian Facility was continuing to operate at a loss with significant overheads. For the purposes of limiting overheads of the Group, the Company undertook the Disposal on 2 May 2024. This has allowed the Company to minimise the cash outflow and to focus its efforts on supporting the growth of its bio division.

The Company has received irrevocable commitments from investors to subscribe for the Placing Shares which will raise gross proceeds of £1,800,000 and the Company will have Net Proceeds of £1,485,000 conditional upon Admission and the Placing Agreement not having terminated in accordance with its terms. Admission is expected to occur on 10 July 2024. The Fundraising is necessary to enable to the Company to continue as a going concern.

Management has determined that the Net Proceeds from the Fundraise will be sufficient to support the Company's immediate and ongoing working capital requirements for a period of at least twelve months.

#### b) **The Company is proposing to issue and allot a total of 2,171,166,667 new Ordinary Shares which will (assuming no further acquisitions by them of any Shares) result in existing Shareholders being diluted by approximately 95 per cent (based upon their pro-rata holdings and assuming only the New Shares are issued and allotted on Admission)**

Capital is being raised by way of the Placing.

Subject to Admission, the Company will issue and allot a total of 2,171,166,667 new Ordinary Shares, and an application will be made for such shares to be admitted to trading. The New Shares will represent approximately 94.57 per cent of the enlarged issued share capital of the Company and existing Shareholders will therefore suffer a dilution equal to approximately 95 per cent (based upon their pro-rata holdings and assuming only the New Shares are issued and allotted on Admission).

#### c) **On Admission, it is expected that there will be a total of 307,589,147 Warrants in issue, representing approximately 13.40 per cent. of the Enlarged Issued Share Capital. Existing Shareholders and Investors should therefore be aware that they may experience dilution following Admission as a result of the exercise of Warrants**

Investors should be aware that with effect from Admission, it is expected that there will be a total of 307,589,147 Warrants in issue representing approximately 13.40 per cent. of the Enlarged Issued Share Capital. The exercise of those securities following Admission would therefore result in further dilution to shareholders and investors.

The New Shares will together represent 94.57 per cent of the Enlarged Issued Share Capital on Admission and the Existing Ordinary Shares will represent 5.43 per cent of the Enlarged Issued Share Capital on Admission.

Assuming the full exercise of the Warrants expected to be in issue from Admission and assuming that there are no other changes to the share capital structure of the Company following Admission, the fully diluted share capital of the Company will be 2,603,519,780 Ordinary Shares (the “Fully Diluted Share Capital”). The Existing Ordinary Shares will represent approximately 4.79 per cent. of the Fully Diluted Share Capital and the New Shares will represent approximately 83.39 per cent. of the Fully Diluted Share Capital.

## **2. RISKS RELATING TO THE GROUP AND ITS BUSINESS**

### **a) The Group is currently loss making, recording a financial loss of £3,120,000 for the year ended 31 December 2023 and the Group has no clear source of revenue**

To date, the Company has been loss making and in the financial year ended 31 December 2023, the Group sustained losses in the amount of £3,120,000 (and the Group recorded losses of £2,705,000, in the financial year ended 31 December 2022). The Board has adopted measures to minimise costs and overheads to ensure that the Group remains solvent and the Group is now focused on nurturing and growing its healthcare industry focused Bio Division, as part of a business review undertaken by the Board. The decision by the Board to undertake the Disposal was to ensure the ongoing financial viability of the Group.

The Fundraising is expected to provide the Group with sufficient working capital to fund its working capital requirements for a period of at least twelve months from the date of this Document and to provide funding to grow and develop its business.

The Company is engaged in research and development activities associated with the healthcare sector, and it is therefore likely that the Company may look to raise further capital in future where it identifies a specific opportunity in pursuing its growth strategy, for instance, raising capital to fund participation in a joint venture or partnership. Should the Directors look to raise capital to fund a specific initiative forming part of its growth strategy, the Directors may consider raising capital from further issuances of new Ordinary Shares and such fundraising activities could be dilutive to existing shareholders.

If the Company’s core business however remains unsuccessful, and the Company is unable to generate revenue from alternative sources, then the Company is likely to remain loss making. This would have a material adverse impact on the financial condition of the Group over the longer term. Investors should be aware that it is probable that the Company will remain loss making for the immediate future.

### **b) The existing license of the Group’s drug delivery systems may ultimately fail to deliver revenues through royalty and distribution payments in accordance with management’s expectations or at all**

The Group’s Bio Division has to date focused on the development of its drug delivery systems, which seek to address certain challenges regarding bioavailability and the stability of existing drug delivery systems. Part of the Group’s strategy will be to develop this area of its business and the Group will seek opportunities within the health industry to derive revenue predominantly through royalties and profit-sharing arrangements. Furthermore, the Board will also seek partnership and joint venture opportunities with other healthcare companies.

The Group currently has a licensing arrangement with Argent in respect of the use of its drug delivery systems through which it is hoping to generate revenue based on royalties from the sale of Argent BioPharma Limited’s most advanced product CimetrA® (including, its OTC version, ArtemiC™) by Argent and or its agents. There is a further prospect that the Group will in the longer term receive royalties from the sale of Argent’s product CannEpiL-IL if it adopts the Company’s drug delivery systems. There is no guarantee that Argent will be successful in commercialising the sale of its products in target markets either in volumes expected by management or at all. There is also the risk that these arrangements will cease if Argent experiences an insolvency event. Investors should therefore be aware that there is no guarantee that these arrangements will generate royalties now or in the future.

### **c) A core asset of the Group is the intellectual property rights in its drug delivery system. A failure to protect those intellectual property rights and its portfolio of intellectual property rights, more generally, may have an adverse impact on the financial condition of the Group**

The Group relies substantially on proprietary technology, patent rights, confidential information, trade secrets, know-how and laboratory research data to conduct its business and to attract and retain customers and licensees. The success of the Group’s business depends on its ability to protect its know-how and its intellectual property portfolio and maintain and obtain patents without infringing the proprietary rights of others. If the Group does not effectively protect its know-how and intellectual property, its business and operating results could be materially harmed.

The Group holds certain patents relating to its drug delivery system. However, the Group’s existing patents and its pending and future patent applications may be challenged, circumvented or invalidated or may be unenforceable. Patent applications run the risk of being refused on account of prior applications by competitors that have not yet become public. Furthermore, patents may only be granted for certain claims, thereby limiting the scope of protection.

Competitors may develop similar technology or succeed in circumventing the Group's existing patents, enabling them to manufacture and sell products which compete directly with those of the Group. This could cause a decline in the Group's revenues and operating results. There is therefore no guarantee that the Group's patent protection will exclude competitors, or that a patent granted in favour of the Group will withstand challenge, or that third parties will not in the future claim rights in, or ownership of, the patents and other proprietary rights from time to time held by the Group. If the Group is unable to maintain the proprietary nature of its technologies, it may lose any competitive advantage provided by its intellectual property. As a result, the Company's results of operations may be adversely affected, and it may lead to the impairment of the amounts recorded for goodwill and other intangible assets.

The Group relies and will, in the future, rely on intellectual property laws and third-party non-disclosure agreements to protect its intellectual property rights. Despite precautions which may be taken by the Group to protect its products, unauthorised parties may attempt to copy, or obtain and use, its drug delivery systems and the technology incorporated in them. Additionally, intellectual property required by the Group to develop, market and sell its drug delivery systems, or the intellectual property belonging or licensed to the Group may be challenged by third parties and may not be available to it indefinitely on an exclusive basis.

### **3. RISKS RELATING TO ORDINARY SHARES**

#### **a) Trading in the Ordinary Shares is likely to be relatively illiquid and the market price of the Ordinary Shares will be subject to volatility. This may result in investors being unable to recover the original value of their investment**

The price of the Ordinary Shares has been subject to a significant devaluation since IPO Admission because of several factors, including, inter alia, the Company's recent financial results and trading outlook. To date there has been infrequent trading in the Ordinary Shares.

Investors should therefore be aware that based on historic trading in the Ordinary Shares, an investment in the Ordinary Shares may be relatively illiquid, and it is likely that there will be infrequent trading in the Ordinary Shares from Admission, which may result in volatile movements in the market price. As a result, investors in Ordinary Shares may therefore not recover the full value of their original investment.

#### **b) The Company does not currently intend to pay dividends and its ability to pay dividends in the future may be limited**

No dividends have been paid or declared for payment since the incorporation of the Company and at present, the Directors' intention is that all profits generated by the operations of the Group will be reinvested for future growth and development. Therefore, at present, there is no intention to pay dividends and a dividend may never be paid. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Group's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. As a result, purchasers of the Ordinary Shares may not receive any return on an investment in the Ordinary Shares unless they sell such Ordinary Shares for a price greater than that which they paid for them.

#### **c) The Company has a Standard Listing and, accordingly, the Company will not be required to comply with those protections applicable to a Premium Listing**

The Company has a Standard Listing and, as a consequence, additional on-going requirements and shareholder protections applicable to a Premium Listing will not apply to the Company. Shareholders will therefore be afforded a lower level of regulatory protection than if the Company had applied for a Premium Listing. In particular, the provisions of Chapters 6 to 13 of the Listing Rules (other than Rule 7.2.1), being additional requirements for a Premium Listing of equity securities (Premium Listing principles, sponsors, continuing obligations, significant transactions, dealing in own securities and treasury shares and contents of circulars), will not apply. In addition, a Standard Listing will not permit the Company to gain UK FTSE indexation.

## IMPORTANT INFORMATION

In deciding whether or not to invest in Placing Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or by Allenby Capital Limited (“the **Placing Agent**”). Without prejudice to the Company’s obligations under FSMA, the Prospectus Regulation Rules, the Listing Rules and the DTRs, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, the Placing Agent, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed “Summary” should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole by an investor. In particular, investors must read the section sub-headed “What are the key risks that are specific to the issuer?” of Section 4(b) – Key Information on the Issuer and the sub-section headed “What are the key risks that are specific to the securities?” of Section 4(c) – Key Information on the Securities” of the Summary together with the risks set out in the section headed “Risk Factors” beginning on page 11 of this Document.

Neither the Placing Agent nor any person acting on their behalf makes any representation or warranty, express or implied, with respect to the completeness or accuracy of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Fundraise or Admission. The Placing Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Document or any such statement. Neither the Placing Agent nor any person acting on their behalf accepts any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to its attention after the date of this Document and the distribution of this Document shall not constitute a representation by the Placing Agent or any such person that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof. However, nothing in this paragraph excludes or limits any responsibility which the Placing Agent may have under FSMA or the regulatory regime established thereunder, or which, by law or regulation, cannot otherwise be limited or excluded.

The Placing Agent and any affiliate thereof acting as an Investor for its or their own account(s) may subscribe for, retain, purchase or sell Shares for its or their own account(s) and may offer or sell such securities otherwise than in connection with the Fundraise. The Placing Agent does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective Investors to consider the purchase of New Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or the use of any information herein for any purpose other than considering an investment in the New Shares offered hereby is prohibited. Each offeree of New Shares, by accepting delivery of this Document, agrees to the foregoing.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Shares by any person in any jurisdiction:

- (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation.
- The distribution of this Document and the offering of the Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company and the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Placing Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors, that would permit a public offering of the Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company, nor the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

The Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Shares may not be, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, Japan or the Republic of South Africa or to any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa.

### Data protection

The Company may delegate certain administrative functions in relation to the Company to third parties and will require such third parties to comply with the data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective Investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- 1 disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective Investors; and
- 2 transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Selling and transfer restrictions**

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in "*Part VIII – Notices to Investors*".

### **Investment considerations**

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Fundraise, including the merits and risks involved.

The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Shares, and any income from such Shares, can go down as well as up.

**This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company, which investors should review.**

### **Forward-looking statements**

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Shares and dividends; and (ii) future deal

flow and implementation of active management strategies, including with regard to any acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective Investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision.

The forward-looking statements contained in this Document are made only as at the date of this Document, however, for the avoidance of doubt this does not in any way seek to qualify the working capital statement. The Company, the Directors and the Placing Agent undertake no obligation or undertaking to publicly update these forward-looking statements contained in this Document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Regulation Rules, MAR, the Listing Rules or the DTRs.

**For the avoidance of doubt, nothing in these paragraphs relating to forward-looking statements constitutes a qualification of the statements made as to the sufficiency of working capital in this Document (including, without limitation, the statement contained at paragraph 14 of "Part VII – Additional Information").**

Subject to any obligations under the Listing Rules, the DTRs and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

#### **Market data**

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **Currency presentation**

Unless otherwise indicated, all references to "\$", "US\$" or "US dollars" are to the lawful currency of the US and all references in this Document to "£" or "Pounds Sterling" are to the lawful currency of the UK.

#### **No incorporation of website**

The contents of any website of the Company or any other person do not form part of this Document.

#### **Definitions**

A list of defined terms used in this Document is set out in "Appendix 1Part IX – Definitions".



## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the New Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

The New Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (Shares)) and, as a consequence, a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protections of the Listing Rules associated with a Premium Listing.

Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares must be admitted to trading on a regulated market at all times. Such companies must have at least 10 per cent of the shares of any listed class in public hands and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the National Storage Mechanism and related notification to a RIS;
- the provision of the contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the DTRs;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5, 6 and 7 of the DTRs.

The Company is subject to MAR and will continue to be subject to the MAR following Admission.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 to 13 of the Listing Rules (except for Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA), which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and the contents of circulars.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing).

The Company intends to comply with the Premium Listing Principles set out in Chapter 7 of the Listing Rules notwithstanding that they only apply to companies which obtain a Premium Listing. The Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which is only applicable to companies with a Premium Listing.
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Fundraise and Admission.
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing.
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted that the Company will only seek Shareholder consent for any further acquisition if required by the Takeover Code.
- Chapter 11 of the Listing Rules regarding related party transactions. It should be noted therefore that related party transactions will not require Shareholder consent.
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. However, Shareholder authority is required in order for a company to buy back its shares under the laws of England and Wales in the form of a resolution of the shareholders.
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. In due course the Directors may seek to transfer the Company from a Standard Listing to the Commercial Companies Segment (when it is introduced) or other appropriate listing venue, based on the track record of the company or business it acquires (although there can be no guarantee that the Company will fulfil the relevant eligibility criteria at the time or that a transfer to the Commercial Companies Segment or other appropriate stock market will be achieved).

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	3 July 2024
Admission of New Shares	8.00 a.m. on 10 July 2024
CREST members' accounts credited in respect of New Shares	8.00 a.m. on 10 July 2024
Share certificates despatched	within 14 days of Admission

*All references to time in this Document are to UK time unless otherwise stated and each of the times and dates are indicative only and may be subject to change.*

## FUNDRAISE AND ADMISSION STATISTICS

Number of Existing Ordinary Shares	124,763,966
Number of Placing Shares	1,800,000,000
Number of Management Shares to be issued conditional upon Admission	59,666,667
Number of Fee Shares to be issued conditional upon Admission	47,500,000
Number of Conversion Shares to be issued conditional upon Admission	264,000,000
Total number of Ordinary Shares to be issued subject to and conditional upon Admission, including the Placing Shares, Management Shares, Fee Shares and the Conversion Shares (“ <b>New Shares</b> ”)	2,171,166,667
Number of Warrants in issue as at the date of this Document	13,089,147
Number of new warrants being granted conditional upon Admission (including, 264,000,000 Lender Warrants and 30,500,000 Director Warrants)	294,500,000
Total number of Warrants expected to be in issue on Admission	307,589,147
Total number of Warrants expected to be in issue on Admission as a percentage of Enlarged Issued Share Capital	13.40 per cent.
Total number of Ordinary Shares expected to be in issue on Admission, as a result of the issue and allotment of the New Shares	2,295,930,633
Percentage of Enlarged Issued Share Capital represented by Placing Shares	78.40 per cent
Placing Price per New Share	£0.001
Estimated Net Proceeds	£1,485,000
Estimated total transaction costs (excl. applicable VAT)	£315,000
Expected market capitalisation of the Company on Admission at the Placing Price	£2,295,931

## DEALING CODES

The dealing codes for the Shares are as follows:

ISIN	GB00BMD1Z199
SEDOL	BMD1Z19
TIDM	GPL
LEI	2138005PH7OJRCRPUD88

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Nicholas Nelson ( <i>Non-Executive Chairman</i> ) Anthony Tennyson ( <i>Chief Executive Officer</i> ) Yifat Steuer ( <i>Chief Financial Officer</i> ) Victor Bolduev ( <i>Chief Technical Officer</i> ) Pavel Kobzev ( <i>Executive Director</i> )
<b>Company Secretary</b>	Anthony Eastman
<b>Registered Office of the Company</b>	Eccleston Yards 25 Eccleston Place London SW1W 9NF
<b>Broker to the Company</b>	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
<b>Legal Advisers to the Company</b>	Hill Dickinson LLP Floor 7, The Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Legal Advisers to Allenby Capital</b>	Blake Morgan LLP New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG
<b>Auditors to the Company</b>	PKF Littlejohn LLP 5th Floor 15 Westferry Circus London E14 4HD
<b>Reporting Accountants</b>	PKF Littlejohn LLP 5th Floor 15 Westferry Circus London E14 4HD
<b>Registrar</b>	Share Registrars The Courtyard 17 West Street Farnham GU9 7DR

## PART I - INFORMATION ON THE GROUP

### 1 INTRODUCTION

Graft Polymer (UK) PLC was incorporated on 18 May 2017 under the laws of England and Wales with company number 10776788. On 6 January 2022, the Ordinary Shares were admitted to the Standard Listed segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

The Board recently undertook a review of its business and operations, pursuant to which it was decided that Graft Polymer Slovenia (principally, an industrial polymer products manufacturer) was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term. The Group disposed of Graft Polymer Slovenia on 2 May 2024. The Company and its existing English subsidiaries, Graft Bio Limited and Graft Polymer IP Limited (the Group's IP holding company) (together the "Group") will continue to operate.

The disposal of Graft Polymer Slovenia has enabled the Group to significantly reduce its cash outflow, costs and overheads, and to allow the Board to focus its attention on current and future commercial opportunities from the existing Group, which have the potential to drive revenue growth with a lower capital and operational expenditure.

The Company, nevertheless, remains in a state of financial distress and the steps outlined above have been necessary to ensure that the Company is able to operate with minimal overheads to preserve working capital. This Document is being published in contemplation of the Fundraising, which is necessary to ensure that the Company can continue to operate.

The Group has developed a set of unique drug delivery systems which seek to address some of the challenges regarding pharmacokinetics, bioavailability and the stability of existing drug delivery systems.

The Group is now focused on opportunities within the healthcare sector. Specifically, the Group will focus its attention on leveraging its extensive existing knowledge, know-how and intellectual property in the bio-polymer drug delivery segments of the healthcare industry to derive revenue predominantly through royalties and profit sharing arrangements. Furthermore, the Board will also seek partnership and joint venture opportunities with other healthcare companies.

Following the disposal of Graft Polymer Slovenia, the Group no longer undertakes the manufacturing and production of industrial type polymers for industrial clients and where required, it will seek to outsource such activities or partner with customers who have in-house manufacturing and production capabilities. Certain existing customers of the Group's former industrial polymer business may continue to contract with the Group for research and development, or consultancy services. The Group may generate revenue from profit sharing and royalty-based arrangements with such customers where the Group has been responsible for developing the intellectual property used by customers in their manufacturing and production process.

### 2 HISTORY OF THE GROUP

Graft Polymer (UK) PLC was established in 2017 and admitted to the London Stock Exchange Standard List in January 2022.

Historically the Group was focused on two core activities with two separate divisions: its Bio Division, which is focused on researching and developing bio-polymer based drug delivery systems to improve the pharmacokinetics, bioavailability and stability of medicines for healthcare industry companies and its Polymer Division, a division providing bespoke polymer modification solutions to improve product functionality and environmental credentials for plastic and rubber processing industry companies, which was divested on 2 May 2024.

Set out below is a brief summary of the development of the Group's operations since the IPO.

#### **Developments in Bio Division**

The Group's Bio Division researches and develops novel bio-polymer drug delivery systems which seek to address some of the challenges regarding pharmacokinetics, bioavailability, and the stability of existing drug delivery systems.

The Bio Division's core asset and offering to healthcare industry companies is its proprietary patented bioabsorbable self-nano emulsifying drug delivery system ("**SNEDDS**") platform which contains active pharmaceutical ingredients ("APIs") as a lipophilic core of a micelle and the emulsifiers/co-solvents and stabilizer excipients as a micelle shell below 50 nm in size, improving pharmacokinetics, bioavailability, and stability.

The Bio Division's drug delivery system also has the potential for delivery of active ingredients (as opposed to active pharmaceutical ingredients for SNEDDS platforms), which could be of potential interest to the veterinary and wellness segments of the healthcare industry.

On 21 September 2021, Graft Polymer IP entered into a licence agreement with Argent, pursuant to which it granted to Argent a worldwide, non-sublicensable licence to use the intellectual property rights in certain inventions, technologies and products relating to the Group's GraftBio Snedds for Argent's CimetrA® (including, its OTC version, ArtemiC™), and CannEpiL-IL. In consideration for the licence, Argent has agreed to pay to Graft Polymer IP a royalty of €1 for each unit of the product sold or otherwise commercialised by Argent that utilises the DDS technology. Significant achievements have been recorded in the development and commercialisation of Argent's pharmaceutical products, as more particularly described in paragraph 6 of this Part.

On 17 June 2022, the Group announced that Argent had used a formulation based nano delivery system using Graft Bio IP's clinical research focused on the use of cannabinoids to treat Glioblastoma, an aggressive form of brain cancer.

On 18 August 2022, the Group received a purchase order for 50,000 units of ArtemiC™, from Argent, followed up by an additional order that was completed in September 2023 utilising the GraftBio delivery system.

On 7 May 2024, the Group announced that it had been granted patent P-202400066 in respect of a dual hydrogel multi-crosslinking haemostatic composition and method of manufacturing.

### **Developments in Polymer Division**

The Group developed a proprietary set of polymer modification technologies for the purpose of improving existing products and processing methodologies by enhancing performance. The Group will continue to provide master batch licences technology based on its IP.

The Group provided its customers with three main types of modification IPs:

- (i) Graft/Block copolymers used as compatibilizers to combine various immiscible components (polymers, fillers) allowing the creation of high quality polymeric composite materials for multiple applications;
- (ii) Polymeric Nano-Structured Alloys used to modify virgin polymers or as stand-alone compounds; and
- (iii) Crosslinking Masterbatches or Alloys used to modify virgin polymers or as stand-alone compounds.

Following IPO Admission, the Group sought to increase commercial sales by entering into collaborations with refiners (large enterprises that produce virgin polymers as commodities), compounders (which produce composites, mixtures of virgin polymers, modifiers, and/or fillers) and processors (which produce, for instance, film and pipes) for mutual development and production of grafted products, to help satisfy increasing demand on major international companies for new and enhanced products, with a particular focus on automotive projects.

The Group, until 2 May 2024, operated a single facility in Slovenia which was used for manufacturing and production (the "**Slovenian Facility**"). The conflicts in the Middle East, Ukraine and the Red Sea significantly disrupted operations and presented substantial challenges to the Board's ability to manage the future. These conflicts particularly impacted trading capabilities, resulting in elevated logistical costs for raw materials imported from China along with cashflow risks. Added to this was the general economic turmoil in Europe leading to reduced overall demand.

On 2 May 2024, the Group entered into a share purchase agreement, pursuant to which it agreed to transfer the entire issued capital of Graft Polymer Slovenia for a nominal consideration of €1 (one euro) to reduce the Group's operational liabilities and working capital losses. Consequently, all assets and liabilities of Graft Polymer



Slovenia have been disposed of (the “Disposal”) and any outstanding amount(s) owing between the Group or its subsidiaries and Graft Polymer Slovenia were written off.

Following the Disposal, the Group may continue to serve certain existing customers of its industrial polymer business and may continue to contract with Graft Polymer Slovenia for research and development, or consultancy services. However, the Group is no longer able to offer manufacturing services and it will seek to outsource such activities or partner with customers who have in-house manufacturing capabilities. The Group may generate revenue from profit sharing and royalty-based arrangements with such customers where the Group has been responsible for developing intellectual property used by customers in their manufacturing and production process.

### 3 GROUP STRUCTURE

As at the date of this Document and as a result of the Disposal, the Company has two wholly owned subsidiaries, brief details of which are set out below.

Name	Territory of Registration	Date of Incorporation	Registered Number	Principal Activities
Graft Polymer IP Limited	England and Wales	25 January 2021	13155105	Intellectual property holding company
GraftBio Limited	England and Wales	5 September 2022	14335261	Bio-polymer research and development company

### 4 FINANCIAL CONDITION, BUSINESS DISPOSAL AND CURRENT BUSINESS

The latest audited accounts of the Company for the year ended 31 December 2023 show that it was loss making and not cash generative. Group cash levels reduced during the year to £155,000 and have diminished further since the year end. The retained loss position increased to £(8,965,000) in the year and net assets reduced to £2,026,000, as a result of the continued losses incurred, which included a 100% write-down in the value of property, plant and equipment and a material write down of the inventory of the Group by £838,000.

The Directors noted that trading activities for the Company’s industrial polymer business in Slovenia had been extremely difficult during the past two years, which had resulted in a significant depletion of funds and no clear source of revenue to support its operations.

In response to this the Board believed that it was necessary to take effective measures which would reduce the costs and overheads of the business. Following a detailed review and analysis of its current business operations and financial position, it was decided the Company would undertake the Disposal. It was particularly noted that:

- The Group had incurred a loss before taxation of £3.12 million for financial year ended 31 December 2023.
- Graft Polymer Slovenia would impose on the Group recurring fixed costs of approximately £60,000 per month with a significant proportion being applied to the payment of salaries and payroll related costs.

The Disposal has enabled the Company to immediately reduce costs and overheads. The Board has decided that the Company will not actively pursue new opportunities in the industrial polymer sector. The Group is now focused on operating as a healthcare company.

The Company has received irrevocable commitments to subscribe for the Placing Shares, which will raise gross proceeds of £1,800,000 and the Company will have Net Proceeds of £1,485,000 conditional upon Admission. Admission is expected to occur on 10 July 2024.

Management has determined that the Net Proceeds are sufficient to support the Company’s immediate and ongoing working capital requirements. The Fundraising is necessary to enable to the Company to continue as a going concern.

Please refer to paragraph 9 of this Part, which explains further the reasons for the publication of this Document and the Fundraising.

The Group’s healthcare business benefits from extensive knowledge, industry experience and a developed library of intellectual property rights (particularly, in connection with its drug delivery system), as more particularly described in paragraph 8 of this Part (below). The Company expects to generate revenues from a

combination of existing royalty agreements and future profit sharing and royalty agreements, which would be borne out of existing research and development agreements and to seek out partnership and joint venture opportunities with other healthcare companies. A more detailed description of those activities currently being undertaken by the Company's Bio Division and recent developments associated with its drug-delivery system is set out in paragraph 6 of this Part (below).

Certain existing customers of the Company's former industrial polymer business may continue to contract with the Company for research and development, or consultancy services. The Company is no longer able to offer manufacturing services, and it will therefore seek to outsource such activities or partner with customers who have in-house manufacturing capabilities. The Company may generate revenue from profit sharing and royalty-based arrangements with such customers where the Company has been responsible for developing the intellectual property used by customers in their manufacturing and production processes.

## 5 STRATEGY OF THE COMPANY

The Company recently appointed Nicholas Nelson as Non-Executive Chairman with significant experience in the financial markets and Anthony Tennyson as CEO, an experienced executive director with significant experience in the healthcare and financial services industries. The Company led by Anthony Tennyson will focus on developing the Company's healthcare business as described in more detail in paragraph 4 of this Part.

Further to the Company's announcement dated 3 May 2024, it has successfully concluded the Disposal. The Lenders have advanced £200,000 to the Company in accordance with the Loan Facility to support the Group's immediate working capital requirements, as described below in more detail in paragraph 13 of this Part.

The Disposal enables the Company to focus its attention and resources on its Bio Division, which represents, in the Board's opinion, strong prospectivity through its intellectual property (IP), licensing agreements, and distribution agreements.

To support the Company's ongoing working capital requirements and to enable the Company to execute its business strategy, the Company is conducting the Fundraising, as more particularly described in paragraph 10 of this Part. In addition to supporting the general activities of the business, surplus funds raised as part of the Fundraising may be applied towards partnerships, joint ventures, investments, or acquisitions, opportunities that may present themselves in the healthcare industry, and which are complementary to the Group's current business activities. As at the date of this Document, the Group has no acquisition or investment opportunities that are under review.

## 6 BIO DIVISION

The business of the Group is now focused on the development of the Bio Division.

The Group's Bio Division's current focus is on the commercialisation of intellectual property developed in its SNEDDS drug delivery system; however as described in paragraph 7 ("Market Trends") of this Part, whilst the size of the overall global drug delivery system market is larger, the bioabsorbable segment is relatively small. To develop the Group's Bio Division, the Group will seek to focus on the following areas:

- Commercialisation of the intellectual property developed in its SNEDDS drug delivery system.
- Development and commercialisation of IP for non-drug delivery system bioabsorbable polymers, e.g. haemostatic bio gels.
- Development and commercialisation of IP for bioresorbable non-pharmaceutical active ingredient delivery systems for wellness segments of the healthcare market.
- Seeking partnerships, joint ventures, investments, or acquisitions in the healthcare industry.
- Maintaining the registration of its intellectual property rights including patents.

Set out below is a detailed summary of the development of the Group's drug delivery platform to date. The Group has also entered into certain research and development agreements, which are expected to generate revenues from profit sharing and royalty arrangements. It is possible that the Group may not generate a meaningful amount of revenue if the licensing arrangements of the drug delivery system are not successful. There can be no guarantee that Argent and or their agents will be successful in selling its products.

### **Key Commercial Arrangements with Argent and DDS Development**

On 21 September 2021, Graft Polymer IP entered into a licence agreement with Argent. Graft Polymer IP has granted Argent a worldwide, non-sublicensable licence to use the intellectual property rights in certain inventions, technologies and products relating to the Group's GraftBio self-nano-emulsifying drug delivery system ("**DDS**

IP”) for the sole purpose of manufacturing Argent’s CimetrA® and ‘CannEpiL-IL™ (CannEpiL Ionic Liquid) products and any improvement, change or derivative of those products and any other products which may be mutually agreed between the parties. For further details please refer to the summary of the Argent Licence & Royalty Agreement in paragraph 16.6 of Part VII (Additional Information).

Since IPO Admission, Argent has reported significant progress on the commercialisation of its pharmaceutical products: (a) “CimetrA®” – a proprietary bio-investigation medicinal product targeting COVID-19 symptoms based on SNEDDS in the form of a spray. Set out below is a summary of recent developments.

### **Argent Product – CimetrA®**

Clinical trials have demonstrated the suppression of cytokine storm in COVID-19 patients, alongside a notable decrease in C-reactive protein (CRP), a significant inflammatory marker. Blood tests have further substantiated the reduction in inflammation and enterohepatic involvement, as well as liver reactant proteins. Preclinical investigations, encompassing both rodent (rats, mice) and non-rodent (swine) models, have affirmed its safety profile with no formulation-related toxicity observed. Mechanistic studies have shed light on its efficacy in dampening cytokine responses upon immune stimulation in human peripheral blood mononuclear cells (PBMCs). Furthermore, this intervention has demonstrated effective blockade of IL-32mRNA expression, a pro-inflammatory cytokine implicated in autoimmune diseases such as lupus, rheumatoid arthritis, inflammatory bowel disease, asthma, and chronic obstructive pulmonary disease.

Set out below is a summary of key milestones in relation to this product.

- March 2023, ArtemiC™ listed as an over-the-counter ('OTC') drug on the US Food and Drug Administration's National Drug Code Database ("NDC"), facilitated by the Argent BP Group 's supply.
- July 2023, US\$1m order MC Pharma to produce ArtemiC™, an over-the-counter version of CimetrA®.
- August 2023. Positive results from Pre-clinical Chronic Toxicology Evaluation of 14 days oral dose of CimetrA®. The study was undertaken on 32 domestic swine, that received a study treatment (three dosages groups of CimetrA® and Placebo) for 14 days. During this period, the clinical parameters were recorded, blood (**haematology**, coagulation and chemistry) and urine tests were collected and sent for histopathological evaluation.
- The study demonstrated that following the full chronic safety and toxicology analysis of CimetrA® in large animals the drug was found to be safe. The histopathological analysis of the full organs' spectrum demonstrated all tissues of all animals were normal and unaffected. It was concluded that the test article at the dosage administered did not induce toxicological changes. No changes in the blood and urine samples were reported.
- The study was performed under animal EC approval in the GLP certified Lab Science in Action, Ness Ziona, Israel, and is an important step in the Investigational New Drug ("IND") submission preparation for the US Food and Drug Administration ("FDA")
- December 2023: ArtemiC™ received FDA approval in Saudi Arabia.

### **Argent Product - CannEpiL-IL™**

CannEpiL-IL™ is an Investigational Medicinal Product ('IMP') designed to be used for the treatment of Drug-Resistant Epilepsy. Approximately 30% of generalized seizure epilepsy patients have Refractory Epilepsy aka “Drug-Resistant Epilepsy”.

CannEpiL® is accepted by the Irish Health Product Regulatory Authority (HPRA).

Set out below is a summary of key events in relation to this product.

- May 2022: Patent Application for CannEpiI® Drug Delivery System Patent granted by European IP Office.
- May 2023: The Investigational Medicinal Product (IMP), CannEpiI®, was successfully imported and received by its first patients in the United Kingdom.

To date, the Group has not yet generated revenue from the product, CannEpiI-IL™. However, Argent intends to start selling Cannepil-IL and there is the prospect that this will therefore generate revenues for the Group in future. It should nevertheless be noted that such products are at an embryonic stage of development and there can be no guarantee that such products will be capable of being effectively commercialised.

## 7 MARKET TRENDS

The global drug delivery system market size was estimated to be US\$43 billion (£34 billion) in 2023 and is projected to reach US\$96 billion (£75 billion) by 2032.<sup>1</sup> However, the bioresorbable drug delivery systems market represents a relatively small part of this industry, at US\$417 million (£327 million) in 2022 forecast to grow to US\$688 million (£525 million) by 2027.<sup>2</sup>

The Company has recently filed a patent application in the US for use of the Company's SNEDDs platform to deliver drugs to specifically treat addiction and mental health conditions affecting millions of Americans, in particular, it is estimated that: (a) alcohol misuse disorder impacts 29m people in the US; (b) opioid misuse disorder impacts 2 million people in the US; (c) generalised anxiety disorder impacts 6.8 million people in the US; and (d) depression impacts 21 million people in the US.

On 2 May 2024, the Company entered into a share purchase agreement, pursuant to which the Company agreed to transfer the entire issued capital of Graft Polymer Slovenia to a Trustee for a nominal consideration of €1 (one euro). Consequently, all assets and liabilities of Graft Polymer Slovenia have been disposed of and any outstanding amount between the Group or its subsidiaries and Graft Polymer Slovenia was written off. The Disposal has enabled the Company to immediately reduce costs and overheads. The Board has decided that the Company will not actively pursue new opportunities in the industrial polymer sector. The Group is now focused on operating as a healthcare company.

## 8 INTELLECTUAL PROPERTY

Set out below is a summary of the intellectual property rights of the Group. The Company's wholly owned subsidiary, Graft Polymer IP, was established for the purpose of being the registered owner of important intellectual property rights.

### 8.1 Patents

The following patents have been registered:

No.	Registration Number	Entity to which the patent is registered	Filing Date	Country of patent authority	Subject matter of patent application	Status
1.	SIPO P-202100024	GRAFT POLYMER IP UK	Feb 24, 2021	SLOVENIA	Patent title Super-saturable self-nanoemulsifying drug delivery system ( SNEDDS)	Priority rights have been granted.
2.	SIPO P-202100047	GRAFT POLYMER IP UK	Mar 19, 2021	SLOVENIA	Patent title Method for production of modified polyolefin	Priority rights have been granted.

<sup>1</sup> Fortune Business Insights, Drug Delivery Systems Markets Size, Share, Industry Analysis. <https://www.fortunebusinessinsights.com/drug-delivery-systems-market-103070>

<sup>2</sup> Markets and Markets, Bioresorbable Maret by Type. <https://www.marketsandmarkets.com/Market-Reports/bioresorbable-polymer-market-235258717.html>

3.	SIPO P-202100044	GRAFT POLYMER IP UK	Apr 16, 2021	SLOVENIA	Patent title Method for industrial production of modified polymers and device for its realization	Priority rights have been granted.
4.	SIPO P-202100132	GRAFT POLYMER IP UK (mutual IP with Argent)	Jun 28, 2021	SLOVENIA	Patent title: Cannabinoids-Ionic complex self- nanoemulsifying concentrate and method for preparation thereof	Priority rights have been granted.
5.	SIPO P-202400066	GRAFT POLYMER IP UK	Apr 18, 2024	SLOVENIA	Patent title; Dual hydrogel multi- crosslinking haemostatic composition and method of manufacturing thereof	Priority rights have been granted.
6.	USPTO GPL-PPA-001	Graft Polymer (UK) Plc	May 27, 2024	USA	Patent title: Compositions And Methods For Substance Use Disorders (Suds)  Using A Self- Nanoemulsifying Drug Delivery System (SNEDDS)	Application submitted.
7.	USPTO GPL-PPA-002	Graft Polymer IP UK	May 30, 2024	USA	Patent title: Compositions And Methods For Mental Health Disorders  Using A Self- Nanoemulsifying Drug Delivery System (SNEDDS)	Application submitted.

In accordance with the Industrial Property Act of Slovenia, the Slovenian Intellectual Property Office (“SIPO”) has or will publish each of the Slovenian patent applications after the expiry of a period of 18 months from the filing date. The SIPO shall then issue a decision on the grant of a patent and, if appropriate, enter the patent in the register of patents and public patent database. The date of the publication of a patent application shall be deemed to be the date of the grant of the relevant patent.

From the filing date of each of these patent applications, the abovementioned applicants (or, where applicable, their assignees) have a priority right for their IP in all countries that are members of the Paris Convention.

## 8.2 Patent Applications

On 28 May 2024, the Company announced that it had submitted a utility patent application (provisional) with the United States Patent and Trademark Office (USPTO) for the use of its proprietary and patented self-nanoemulsifying drug delivery systems (SNEDDS) platform for the delivery of drugs for the treatment of substance use disorders. This approach aims to leverage the Company's existing advanced biopolymer expertise to address significant unmet medical needs in addiction therapy and builds upon the Company's existing innovations described above.

### 8.3 Trade Marks

The following trademarks are registered in the name of Graft Polymer IP, a wholly-owned subsidiary of the Company:

Territory	Class	Mark	Number
UK	Class 1	GRAFTAMID	UK00003276548
UK	Class 1	GRAFTABOND	UK00003276549
UK	Class 1	GRAFTALOY	UK00003408039
UK	Class 1	GRAFTSYNT	UK00003408043
UK	Class 1	GRAFTAPOR	UK00003408035
UK	Class 1	GRAFTALEN	UK00003276546
UK	Classes 1 and 17	GRAFTAMER	UK00003608661
UK	Classes 1 and 17	GRAFTAKIT	UK00003608655
UK	Classes 5 and 42	GRAFTBIO	UK00003614423

## 9 REASONS FOR THE PUBLICATION OF THE PROSPECTUS

The primary purpose of this Document is to enable the Company to undertake the Fundraising, which is necessary to ensure that the Company has sufficient working capital for more than 12 months from the date of this Document.

The Ordinary Shares are admitted to trading on a regulated market and in accordance with the Prospectus Regulation Rules, the Company is prohibited from admitting to trading a number of shares representing more than 20% of the total number of shares currently admitted to trading measured over a period of 12 months, unless an exemption applies, or the Company publishes a prospectus in connection with Admission (the "20% Rule"). The Company is unable to admit any of the New Shares to trading unless it publishes a prospectus.

The purpose of this prospectus is to enable the Company to admit the following 2,171,166,667 New Shares to trading, subject to and conditional upon Admission occurring by no later than 8.00 a.m. on 10 July 2024 (or such later date agreed between the Company and Allenby, but not later than 31 July 2024), which comprises:

<b>Placing Shares</b>	1,800,000,000
<b>Conversion Shares</b>	264,000,000
<b>Management Shares</b>	59,666,667
<b>Fee Shares</b>	47,500,000
	<b><u>2,171,166,667</u></b>

At paragraph 6 of Part VII ("Additional Information") of this Document, is a statement of the dilution that will result from the issue and allotment of the New Shares. The Placing is conditional upon Admission and the Placing Agreement not having terminated in accordance with its terms.

## 10 DETAILS OF THE FUNDRAISING

The Company has placed 1,800,000,000 Ordinary Shares with investors at the Placing Price pursuant to a placing coordinated by Allenby Capital, as the Company's retained broker.

As a result of the Placing, the Company has raised gross proceeds of £1,800,000.

Further details of the terms and conditions of the Fundraising are set out at Part III ("Fundraising") of this Document.

## 11 USE OF PROCEEDS

The Company expects to raise Net Proceeds of approximately £1,485,000 from the Fundraise.

The Net Proceeds will be used to:

- provide working capital to cover the Company's ongoing operating costs. Such costs include staff and directors' fees/salaries, legal and professional fees, broker fees, audit fees, registrar fees, London Stock Exchange fees, insurance premiums and other general and administrative expenses. For a period of 18 months from the date of this prospectus, the use of proceeds allocation includes such fees and expenses are estimated at £647,000 (exclusive of VAT);
- the Company has allocated £650,000 (exclusive of VAT) to be used in conjunction with the Company's proposed strategy as outlined in paragraph 5 of this Part, in relation to marketing and research and development expenses;
- contingency of £201,000 to fund the activities of the Company; and
- non-cash payments deducted from the use of proceeds allocation of £13,000.

The Fundraising is necessary to enable to the Company to continue as a going concern.

## 12 DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business to the extent any are generated.

The Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date once the Company's operations are sufficiently mature and depending upon the generation of sustainable profits. The Board can give no assurance that it will pay any dividends in the future, nor, if a dividend is paid, what the amount of such dividend will be. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

## 13 RECENT FUNDRAISING ACTIVITIES, MANAGEMENT SHARES AND FEE SHARES

Set out below is a summary of fundraising activities undertaken by the Company in the previous 12 months.

As at the date of this Document, there are a total of 59,666,667 Ordinary Shares which have been subscribed for, but are not capable of being issued pending the publication of this Document.

### 13.1 December 2023 Placing

On 22 December 2023, the Company announced a conditional fundraising, pursuant to which:

- Victor Bolduev agreed to transfer a total of 10,750,000 Ordinary Shares to investors at the placing price of £0.006 (0.6 pence) per share;
- a cornerstone investor had agreed to subscribe for 20,666,667 Ordinary Shares at the placing price of £0.006 (0.6 pence) per share; and
- the conditional subscription of 51,916,667 Management Shares by certain Directors or their connected persons,

subject to the satisfaction of certain conditions (together the "**2023 Placing**"). The 2023 Placing proposed to raise an aggregate total of £500,000 from a combined issue of 77,333,334 Ordinary Shares and a transfer of 10,750,000 Ordinary Shares, subject to the satisfaction of certain conditions.

The 2023 Placing was conditional upon certain conditions being satisfied, including, inter alia, the placing agreement entered into between the Company and CMC becoming unconditional in all respects in relation to the 2023 Placing and not having been terminated in accordance with its terms. The Company was unable (at the time) to satisfy its obligations in full under the 2023 Placing by the issue and admission to the Official List (standard listing segment) of the London Stock Exchange's main market for listed securities of all new Ordinary Shares being subscribed for pursuant to the 2023 Placing without producing an FCA approved prospectus. The Company, therefore, issued and admitted to trading 20,666,667 Ordinary Shares (available under the Company's then existing headroom under the UK Prospectus Regulation as at the date of this announcement) on 4 January 2024 ("**2023 Placing Admission**"). The 10,750,000 Ordinary Shares were not transferred by Victor Bolduev as the Company did not receive the relevant funds.

Investors participating in the 2023 Placing, received one warrant for every two Ordinary Shares subscribed for at a subscription price of £0.006 (0.6 pence) each, and such warrants expire on 4 January 2026 (the "**Investor Warrants**"). On 22 December 2023, the Company granted a total of 10,333,333 warrants to investors which are exercisable conditional upon compliance with MAR and the requirement to publish a prospectus prior to admission of those Ordinary Shares resulting from the exercise of warrants.

### 13.2 Management Shares

It was subsequently agreed that the aggregate total of the Management Shares would be increased to 59,666,667 and their issue would remain conditional as soon as reasonably practicable subject to compliance by the Company with the Companies Act, UK Prospectus Regulation, the Listing Rules and the Company's dealing policy. The Management Shares were granted in consideration of the release of the debt owed by the Company as detailed below:

<b>Subscriber</b>	<b>Number of Management Shares</b>	<b>Apportionment of capitalised amount</b>
Victor Bolduev	22,529,166 <sup>3</sup>	£135,175
Roby Zomer	11,111,000	£66,666
Yifat Steuer	11,711,167	£70,267
Pavel Kobzev	8,694,000 <sup>4</sup>	£52,164
Alexander Brooks	2,810,667	£16,864
Anthony Eastman	2,810,667 <sup>5</sup>	£16,864
<b>Total:</b>	<b>59,666,667</b>	<b>£358,000</b>

each referred to as a "Subscriber of Management Shares" and together referred to as "**Subscribers of Management Shares**".

Under the terms of the Placing Agreement, CMC received a commission relating to the placing shares and warrants to subscribe for 1,500,000 new Ordinary Shares ("**CMC Broker Warrants**"). The CMC Broker Warrants are exercisable at 0.6p for a period of two years from the date of 2023 Placing Admission (as defined above).

Please refer to paragraph 16.4 of Part VII ("**Additional Information**") of this Document for further details in respect of the December 2023 Placing and Management Shares arrangements.

### 13.3 **March 2024 Investor Loan**

On 15 March 2024, the Company issued an announcement noting that the cash resources of the Company had become constrained. Accordingly, the Company obtained a £100,000 loan from Nicholas Nelson and William Potts on 14 March 2024 pursuant to the Loan Facility. Nicholas Nelson immediately joined the board as non-executive Chairman. The Loan Facility was increased by £100,000 on 23 April 2024 under the same terms as the original facility to provide further working capital to the Company and to assist with the Fundraise. The Loan Facility which is now an aggregate amount of £200,000 is repayable on demand, together with accumulated interest, however, the Lenders have the option to convert all or any part of the outstanding balance (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.

It has been agreed that conditional upon Admission, £264,000 (representing sums borrowed inclusive of accrued interest) will be converted into 264,000,000 Conversion Shares (such shares having been converted at the Placing Price). Mr Nicholas Nelson, a Director of the Company, will receive an aggregate total of 132,000,000 Conversion Shares as a result of the conversion.

In addition, it was agreed that the Lenders would be granted an aggregate total of 264,000,000 Lender Warrants over Ordinary Shares pursuant to the Lender Warrant Instrument. Mr Nicholas Nelson would receive an aggregate total of 132,000,000 Lender Warrants.

The terms of the Loan and the Lender Warrant Instrument are further summarised in paragraphs 16.2.1 and 16.5.4 of Part VII ("Additional Information") of this Document.

### 13.4 **Management and Adviser Fees**

The Company has limited cash resources available to it as at the date of this Document. Conditional upon Admission, the Company has agreed to apply sums due and owing to the following persons in the subscription of new Ordinary Shares on the terms summarised in the table below. This will result in the issue and allotment on Admission of 47,500,000 Fee Shares.

<sup>3</sup> 11,760,333 of these Management Shares will be issued to Polymer Innovations Inc, an entity controlled by Victor Bolduev.

<sup>4</sup> 5,675,167 of these Management Shares will be issued to MSW Ltd, an entity controlled by Pavel Kobzev.

<sup>5</sup> These will be issued to Tournesol Consulting Ltd, an entity controlled by Anthony Eastman.



<b>Name</b>	<b>Relationship to the Company</b>	<b>Sum owed (£)</b>	<b>Implied subscription price (£)</b>	<b>Number of Fee Shares</b>
Nicholas Nelson	<i>Director</i>	10,500	£0.001 (0.1p)	10,500,000
Orana	<i>Corporate advisers (2)</i>	12,500	£0.001 (0.1p)	12,500,000
Calyx Law	<i>IP attorney (3)</i>	4,500	£0.001 (0.1p)	4,500,000
Pavel Kobez	<i>Director</i>	10,000	£0.001 (0.1p)	10,000,000
Yifat Steuer	<i>Director</i>	10,000	£0.00 (0.1p)	10,000,000
Total:				<b><u>47,500,000</u></b>

- (1) Mr. William Potts is a Lender to the Company pursuant to the Loan Facility. Mr Potts was also engaged by the Company to provide consultancy services pursuant to a consultancy agreement dated 25 March 2024.
- (2) Orana have been engaged as a corporate adviser pursuant to the terms of their engagement letter dated 22 March 2024, which is summarised in paragraph 16.3.3 of Part VII of this Document.
- (3) Calyx Law recently provided support to the Company in connection with its patent application submissions.

## PART II - THE BOARD AND CORPORATE GOVERNANCE

### 1 THE COMPANY

The Company was incorporated in England and Wales as a private limited company on 18 May 2017 with registration number 10776788.

### 2 THE DIRECTORS AND KEY PERSONNEL

The Directors believe the Board comprises a knowledgeable and experienced group of professionals with relevant experience in sourcing, evaluating, structuring and executing the business strategy of the Company. The Board will have full responsibility for its activities. The Directors are of the opinion that their respective track records demonstrate their ability to source, structure and complete acquisitions, return value to Investors and introduce and complete operational improvements to companies. The Directors will bring their extensive experience, skills and expertise to bear, initially in setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

The details of the Directors are set out below.

#### **Nicholas Nelson, aged 59 – Non-Executive Chairman**

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

#### **Anthony Tennyson, aged 47 – Chief Executive Officer (CEO)**

Anthony Tennyson is a co-founder and current CEO of Awakn Life Sciences (2020 to date), a clinical stage biotechnology company developing therapeutics targeting addiction, which is a public company. Anthony is an experienced financial services industry executive with 10 years in international strategy, commercial leadership roles with Aon plc, and 5 years with Merrill Lynch and Bank of Ireland. Anthony holds an MBA in Strategy and Finance and an MSc in Technology both from University College Dublin, Ireland's top ranked business school.

#### **Yifat Steuer, aged 53 – Executive Director and Chief Financial Officer (CFO)**

Yifat Steuer, qualified as a chartered accountant with Deloitte before moving into industry. She has over 20 years' experience as a well-versed CFO ranging from global blue-chip companies to hands-on implementation in SMEs and start-ups. She has worked internationally for the majority of her career at firms including Johnson & Johnson and GlaxoSmithKline. While at Marken, Yifat was the Chief Accounting Officer heading the global shared services accounting and payable teams. She led vendor due diligence for the sale of Marken to UPS. Yifat also serves as Chief Operating Officer of Argent. She has a proven track record in pharmaceuticals, manufacturing, logistics, distribution, medical technology, and digital health industries.

#### **Victor Bolduev, aged 67 – Chief Technical Officer (CTO)**

Victor is the CTO of the Group, with more than 30 years' experience in industrial sectors and more than 20 years working in the polymer industry. During this time, Victor has worked in various polymer modification companies in Russia, Thailand and Slovenia. Victor is a non-executive director for a number of companies, including Victor Bolduev IP and Polymer Innovations Inc. Victor graduated from St Petersburg University and Tashkent Military's University. He is known as a polymer chemist who has developed multiple technologies and product brands in the polymer modification and bio sectors.

#### **Pavel Kobzev, aged 42 – Executive Director**

Pavel Kobzev serves as an Executive Director of the Group, with over 10 years' experience in project management and market analysis. He served in the Israeli Defence Forces Elite Intelligence 8200 unit as Managing Operations Leader and has expertise in the security solutions and design solutions and design industries.

### 3 CORPORATE GOVERNANCE

#### 3.1 *The Board of Directors*

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy and for overall supervision of the Company's activities. Future acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance framework of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

The Board will convene monthly meetings and will hold additional meetings as and when required.

### 3.2 **Governance Code**

As a company admitted to the Standard Segment of the Official List, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors acknowledge their responsibility, and are committed to good corporate governance and intend to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines") insofar as this can practically be undertaken.

### 3.3 **Independence**

The Board has determined that none of the Board's non-executive directors are considered fully independent. As at the date of this Document, considering the financial condition of the Company it remains focused on preserving capital in the best interests of Shareholders.

Subject to and conditional upon the Fundraising being completed, the Board plans to meet to determine the general composition of the Board and it will consider the appointment of additional non-executive directors who meet the criteria of being sufficiently independent.

### 3.4 **Market Abuse Regulations**

The Company has adopted a share dealing code that complies with the requirements of MAR. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) are required to comply with the Company's share dealing code and procedures manual.

### 3.5 **Committees**

As at the date of this document, the Company has (a) an audit and risk committee; and (b) a remuneration committee. Due to the current stage of development of the Company and the current size of the Board, it was determined that the Company would not yet put in place a nominations committee, but this would be kept under review.

#### 3.5.1 **Audit and Risk Committee**

The audit committee comprises Nicholas Nelson and Anthony Tennyson but this is subject to change following Admission. The committee will meet twice each year. The Audit and Risk Committee is responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Given the composition of the Audit and Risk Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be appropriate to the Company at this present time.

#### 3.5.2 **Remuneration Committee**

The remuneration committee comprises Nicholas Nelson and Yifat Steuer and will meet normally not less than twice each year. The remuneration committee is responsible for the review of and making recommendations to the Board on the scale and structure of remuneration for the Board and key personnel, including any bonus arrangements and the possible award of share options, having due regard to the interests of Shareholders and other stakeholders.

Given the composition of the Remuneration Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be appropriate to the Company at this present time.

## 4 **DIRECTORS' LETTER OF APPOINTMENT AND SERVICE AGREEMENTS**

4.1 Save as set out in this Document, no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and remain in any respect outstanding or unperformed.

The Company has entered into the following service agreements and/or letters of appointment with the Directors:

#### 4.1.1 **Nicholas Nelson (Non-Executive Chairman)**

On 14 March 2024, Mr Nicholas Nelson entered into a letter of appointment with the Company, pursuant to which, he was appointed to serve as a non-executive chairman of the Company with effect from 14 March 2024. Mr Nelson will be paid a monthly fee of £1,000. His appointment is terminable by either party on 60 days' written notice. The letter of appointment contains obligations with respect to compliance with law and regulation, protection of confidential information, as well as grounds for summary termination.

Additionally, on 14 March 2024, Mr Nicholas Nelson entered into an agreement for services with the Company, pursuant to which Mr Nelson was appointed as a consultant of the Company. Mr Nelson is paid a monthly fee of £2,000. The appointment commenced on 14 March 2024 and is terminable by either party on 60 days' written notice. The agreement contains customary obligations for a consultant with respect to compliance with law and regulation, protection of confidential information, as well as customary termination rights for a consultant.

#### 4.1.2 **Anthony Tennyson (Chief Executive Officer)**

On 1 May 2024, Mr Tennyson entered into a letter of appointment with the Company pursuant to which he was appointed as an Executive Director of the Company. Mr Tennyson is paid a monthly fee of £1,000. Mr Tennyson's appointment is terminable by either party on no less than 6 months' written notice, or immediately on the occurrence of certain events. The letter of appointment contains obligations with respect to compliance with law and regulation, protection of confidential information, as well as grounds for summary termination.

Additionally, on 14 March 2024, Mr Tennyson entered into an agreement for services with the Company, pursuant to which Mr Tennyson was appointed as a consultant of the Company. Mr Tennyson is paid a monthly fee of £3,167. The appointment commenced on 14 March 2024 and is terminable by either party on 60 days' written notice. The agreement contains customary obligations for a consultant with respect to compliance with law and regulation, protection of confidential information, as well as customary termination rights for a consultant.

#### 4.1.3 **Yifat Steuer (Chief Financial Officer)**

On 21 December 2021, Ms Yifat Steuer entered into a letter of appointment with the Company, pursuant to which she was appointed as a Board Director of the Group. Ms Steuer is paid a monthly fee of £1,000. Ms Steuer's appointment is terminable by either party on 60 days' written notice, or immediately on the termination for any reason of her employment arrangements with the Company. The letter of appointment contains obligations with respect to compliance with law and regulation, protection of confidential information, as well as termination rights.

Additionally, on 21 December 2021, Ms Yifat Steuer entered into an employment agreement with the Company (as amended on 1 July 2022 and 1 March 2024), pursuant to which she was appointed as the CFO of the Company. The employment agreement contains customary obligations with respect to, confidentiality, compliance with applicable law and regulation and obligations to not hold any position which competes with the Group. Ms Steuer is paid a salary of £4,000 per month, which is subject to statutory deductions. The basic statutory obligations with respect to pensions apply. Base salary will be reviewed annually by the Remuneration Committee. In addition, a discretionary bonus may be paid as determined by the Remuneration Committee. The appointment may be terminated by either party with 60 days' prior written notice, or immediately in certain circumstances, including serious breaches of the employment agreement, conviction of Ms Steuer of a criminal offence (except for road traffic offences), or gross misconduct. The agreement contains customary non-compete and non-solicitation provisions.

#### 4.1.4 **Victor Bolduev**

On 21 December 2021, Mr Victor Bolduev entered into a letter of appointment with the Company (as amended on 1 July 2022 and 1 April 2024), pursuant to which, he was appointed to serve as a Board Director of the Company from IPO Admission. Mr Bolduev is paid a monthly fee of £1,000. This appointment is terminable by either party on 60 days' written notice, or immediately on the termination for any reason of the agreement for services between Mr Bolduev, Polymer Innovations Inc and the Company. The letter of appointment contains obligations with respect to compliance with law and regulation, protection of confidential information, as well as grounds for summary termination.

#### 4.1.5 **Pavel Kobzev**

On 21 December 2021, Mr Pavel Kobzev entered into a letter of appointment with the Company (as amended on 1 July 2022 and 1 April 2024) pursuant to which, following IPO Admission, he was appointed as a Board Director of the Company. Mr Kobzev is paid a monthly fee of £1,000. Mr Kobzev is required to dedicate such time as is necessary for the proper performance of his duties not being less than 2-3 days per month. His appointment is terminable by either party on 60 days' written notice or immediately on the termination for any reason of the agreement for services between Mr Kobzev, and the Company. The letter of appointment contains customary obligations with respect to compliance with law and regulation, protection of confidential information, as well as grounds for summary termination.

## 5 **COMPANY SECRETARY**

On 21 December 2021, Tournesol Consulting Limited and Mr Anthony Eastman entered into an agreement for services with the Company (as amended on 1 July 2022 and 1 April 2024) pursuant to which, following IPO Admission, Mr Anthony Eastman, acting as a key representative of Tournesol Consulting Limited, was appointed

as Company Secretary, and Tournesol Consulting Limited is paid £1,000 per month, with the appointment terminable by either party on 60 days' written notice. The agreement contains customary obligations with respect to compliance with law and regulation, protection of confidential information, as well as customary termination rights for the parties.

## PART III - THE FUNDRAISING

### 1 DESCRIPTION OF THE PLACING

Pursuant to the Placing, 1,800,000,000 Ordinary Shares will be subscribed for, and will, conditional on Admission, be issued to investors in each case at the Placing Price of £0.001 per Ordinary Share, to raise gross proceeds of £1,800,000. After commissions and other estimated fees and expenses in connection with the Fundraise and Admission of approximately £315,000 (exclusive of VAT), the Net Proceeds are estimated to be £1,485,000.

The Placing Shares have been made available to investment professionals and high net worth, sophisticated and institutional investors in the UK.

In accordance with Listing Rule 14.3, on Admission at least 10 per cent of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

Completion of the Fundraise will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 10 July 2024.

At the Placing Price, the Enlarged Issued Share Capital will have a market capitalisation of £2,295,931 on Admission. The Placing Shares will be registered within ISIN GB00BMD1Z199 and SEDOL code BMD1Z19.

The Ordinary Shares are in registered form and may be held in certificated or uncertificated form.

### 2 ADMISSION CONDITIONS

The Fundraising is subject to and conditional upon:

- (a) the Placing Agreement becoming unconditional in all respects (save for Admission occurring) and not having terminated in accordance with its terms; and
- (b) Admission occurring not later than 8.00 a.m. on 31 July 2024, being the expected date of Admission, or if Admission does not occur on that date, such other date not being later than the Long Stop Date as the Company and Allenby may agree to in writing (the “**Closing Date**”),

(together the “**Admission Conditions**”).

If the Admission Conditions are not satisfied on or before the Closing Date, the Fundraising will not proceed.

### 3 TERMS OF THE PLACING

Allenby Capital has procured subscribers for the Placing Shares at the Placing Price to raise gross proceeds of £1,800,000. The Placing is conditional on, among other things, the satisfaction of the Admission Conditions (as described above). Neither Allenby Capital nor any other party has underwritten the Fundraise.

Conditional on Admission occurring on or prior to the Closing Date, each investor under the Placing has agreed to acquire those Placing Shares allocated to them under their respective Placing Letters.

### 4 ALLOCATION AND PRICING

All Ordinary Shares issued pursuant to the Fundraise will be issued at the Fundraise Price, which has been determined by the Directors after consultation with Allenby Capital.

Allocations have been determined by agreement between the Directors and Allenby Capital after indications of interest from prospective Placees were received. A number of factors were considered in deciding the basis of allocations under the Placing, including the level and nature of the demand for the Ordinary Shares, investor profile and the firm through which the application was to be made, if any. Each prospective Placee shall only be entitled to acquire their own allocation. Allocations have been managed by the Directors so that the Company shall have sufficient Shares in public hands, in accordance with Listing Rule 14.2.2.

Conditional upon Admission becoming effective by 8.00 a.m. on or prior to 10 July 2024 (or such later date, not being later than 31 July 2024), each participant in the Fundraise who has applied for Ordinary Shares agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to them at the Placing Price. To the fullest extent permitted by law, no participant in the Fundraise will be entitled to rescind their agreement at any time. In the event that Admission does not occur by 8.00 a.m. London time on or prior to 10 July 2024 (or such later date, not being later than 31 July 2024 as the Company and Allenby Capital may agree), Allenby Capital will arrange for a refund of those monies subscribed at the sole risk of the investor.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

### 5 PAYMENT

Each Placee has undertaken to pay the Placing Price for the Placing Shares allocated to them in such manner as directed by Allenby Capital in the Placing Letter.

No expenses will be charged by the Company to any investor participating in the Fundraise. Liability for stamp duty and stamp duty reserve tax is as set out in Part VI ("Taxation") of this Document.

If Admission does not occur, subscription monies will be returned to applicants, without interest, by Allenby Capital in the case of Placees. No other paying agents and depository agents has been appointed.

## **6 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Ordinary Shares were admitted to CREST with effect from IPO Admission on 6 January 2022. Accordingly, settlement of transactions in the Ordinary Shares may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their securities will be able to do so. A prospective Placee applying for Placing Shares may elect to receive such new Ordinary Shares in uncertificated form if such person is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **7 ADMISSION**

Application has been made for an aggregate total of 2,171,166,667 New Shares to be admitted to a Standard Listing on the Official List and to be admitted to trading on the London Stock Exchange's Main Market. The Shares are not listed or traded on any other stock exchange or securities market.

Admission is expected to take place and dealings in the Enlarged Issued Share Capital are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 July 2024.

The CREST accounts designated by participants in the Fundraise that have requested delivery of New Shares in uncertificated form are expected to be credited with the relevant new Ordinary Shares on the date of Admission. Where applicable, definitive share certificates in respect of those New Shares that participants in the Fundraise have requested delivery in certificated form are expected to be despatched, by post at the risk of the recipients not later than 14 days from the date of Admission. No temporary documents of title will be issued. Prior to the despatch of definitive share certificates in respect of any new Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company.

## **8 SELLING RESTRICTIONS**

The Ordinary Shares will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within into or in the United States. The Fundraise is being made by means of offering the Placing Shares to certain institutional and other investors in the UK and elsewhere outside the United States in accordance with Regulation S. The Company has not been and will not be registered under the US Investment Company Act and Shareholders will not be entitled to the benefits of that Act.

## PART IV - DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published by the Company shall in accordance with Prospectus Regulation Rule 2.7.1 and Article 19 of the UK Prospectus Regulation be incorporated in, and form part of, this Prospectus:

- 1 The following sections of the audited annual financial statements (on a consolidated basis and including the auditor's report thereon and notes thereto) of the Company in respect of the financial year ended 31 December 2022 (available at: <https://graftpolymer.com/wp-content/uploads/2023/07/266326-Graft-Polymer-AR.pdf>):
  - Chairman's statement and Directors Strategic Report – pages 4-17;
  - Independent auditor's report – pages 25-29;
  - Statement of comprehensive income – page 30;
  - Consolidated statement of financial position – page 31;
  - Consolidated statement of changes in equity – page 35;
  - Consolidated statement of cash flows – page 33;
  - Notes to the financial statements (including a summary of significant accounting policies) – pages 37-61.
  
- 2 The following sections of the audited annual financial statements (on a consolidated basis and including the auditor's report thereon and notes thereto) of the Company in respect of the financial year ended 31 December 2023 (available at: <https://graftpolymer.com/wp-content/uploads/2024/05/24.04.30-Graft-Polymer-Financial-Statements-Final-Executed.pdf>):
  - Chairman's statement and Directors Strategic Report – pages 4-17;
  - Independent auditor's report – pages 25-31;
  - Consolidated statement of comprehensive income – page 32;
  - Consolidated statement of financial position – page 33;
  - Consolidated statement of changes in equity – page 35;
  - Consolidated statement of cash flows – page 37;
  - Notes to the financial statements (including a summary of significant accounting policies) – pages 39-65,

save that any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement provided that such modifying or superseding statement is made by way of supplement to the Prospectus pursuant to Article 23 of the UK Prospectus Regulation.

The parts of the above-mentioned documents which are not incorporated by reference into this Prospectus are either not relevant for investors or covered elsewhere in this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The consolidated financial statements of the Company as detailed in paragraph 2 are audited and give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of its loss for the year then ended in accordance with UK adopted international accounting standards;

The audited historical financial information referred to above in paragraph 2 was audited by PKF Littlejohn LLP. The reports were without qualification and contained no statements under section 498(2) or (3) of the Act and were prepared in accordance with International Financial Reporting Standards.

Copies of the information incorporated by reference are available for inspection as provided for in paragraph 21 of Part VII of this Document (*Additional Information*).

In relation to the audited financial information incorporated by reference above, no audit reports have been refused by the auditors of the Company and no audit reports contain qualifications or disclaimers. However, the audit opinion on historical financial information for the year ended 31 December 2023, which is incorporated by reference, contained a note that the uncertainty surrounding the availability of funds to finance the Company's activities indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. These accounts were not qualified.



## PART V - CAPITALISATION AND INDEBTEDNESS STATEMENT

The following tables show the Group's capitalisation and indebtedness as at 17 May 2024, and has been extracted without material adjustment from the unaudited management accounts. The capitalisation of the Company is as follows:

<b>Total Current Debt</b>	<b>17 May 2024</b> (£'000)
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	154
<b>Total Non-Current Debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
<b>Total debt</b>	154
<b>Shareholder Equity</b>	(£'000)
Share Capital	41
Share premium	7,341
Other Reserves	3,727
<b>Total shareholder equity</b>	11,109

As at the Last Practicable Date, there has been no material change in the capitalisation of the Group since 17 May 2024.

The following table sets out the unaudited indebtedness of the Group as at 17 May 2024 and has been extracted without material adjustment from the unaudited management accounts as follows:

	<b>17 May 2024</b>
	(£'000)
A. Cash	11
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	11
E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (G) + (H)	-
J. Net Current Financial Indebtedness (I) - (E) - (D)	(11)
K. Non-current Bank loans	-
L. Bonds Issued	-
M. Other non-current loans	154
N. Non-current Financial Indebtedness (K) + (L) + (M)	154
O. Net Financial Indebtedness (J) + (N)	<b>143</b>

As at 17 May 2024, the Group had no indirect or contingent indebtedness. As at the Last Practicable Date, there has been no material change in the indebtedness of the Company since 17 May 2024.

## PART VI - TAXATION

*This summary of UK taxation issues can only provide a general overview of these areas and is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain UK tax issues is based on the laws and regulations in force as of the date of this Document and may be subject to any changes in UK laws occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation, in a jurisdiction other than the UK, should consult his professional adviser.*

### 1 General

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and published practice in the UK, which are subject to change, possibly with retrospective effect. The following summary does not constitute legal or tax advice and applies only to persons subscribing for New Shares in the Fundraise as an investment (rather than as securities to be realised in the course of a trade) who are the absolute and direct beneficial owners of their Shares (and the shares are not held through an Individual Savings Account or a Self-Invested Personal Pension) and who have not acquired their Shares by reason of their or another person's employment. These comments may not apply to certain classes of person, including dealers in securities, insurance companies and collective investment schemes.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in the UK or in any of the countries in which the Company has assets (or in any other country in which a subsidiary of the Company is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to Investors.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence including the consequences of distributions by the Company, either on a liquidation or income distribution or otherwise.

### 2 UNITED KINGDOM TAXATION

The following information is based on current UK tax law, and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

### 3 TAX TREATMENT OF UK INVESTORS

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who are UK corporates who intend to acquire, or may acquire more than 10 per cent, of any of the classes of shares in the Company and therefore qualify for exemption from corporation tax under the substantial shareholding exception; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### 4 DIVIDENDS

Where the Company pays dividends, no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes may, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

UK tax resident individuals currently have a £1,000 per annum tax-free dividend allowance to 5 April 2024, reducing to £500 from 6 April 2024. Dividend receipts in excess of £12,570 are currently taxed (in the tax year ending 5 April 2024

and 5 April 2025) at 8.75 percent. for basic rate taxpayers, 33.75 per cent for higher rate taxpayers and 39.25 per cent for additional rate taxpayers.

Shareholders who are subject to UK corporation tax generally should be exempt from UK corporation tax in respect of any dividend received, subject to certain anti-avoidance provisions but will not be entitled to claim relief in respect of any underlying tax paid by the Company.

## **5 DISPOSALS OF ORDINARY SHARES**

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent, and for upper rate and additional rate taxpayers is 20 per cent.

Shareholders within the charge to UK corporation tax will be subject to corporation tax on any gains arising.

The corporation tax rate applicable to a company's taxable profits is currently 25 per cent.

## **6 FURTHER INFORMATION FOR SHAREHOLDERS SUBJECT TO UK TAX**

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

## **7 STAMP DUTY AND STAMP DUTY RESERVE TAX**

No UK stamp duty or stamp duty reserve tax ("**SDRT**") will be payable on the allotment and issue of Ordinary Shares pursuant to the Fundraise.

Most investors will purchase Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5 per cent. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5 per cent if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

## PART VII - ADDITIONAL INFORMATION

### 1 RESPONSIBILITY

1.1 The Company and each of the Directors, whose names appear on page 22 accept responsibility for the information contained in this Document. The Company and each of the Directors confirm that to the best of their knowledge, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

### 2 THE COMPANY

2.1 The Company was incorporated and registered in England and Wales on 18 May 2017 under the Companies Act as a private limited company with the name Graft Polymer (UK) Ltd and registered number 10776788. The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created is the Act. The legal and commercial name of the issuer at the date of this Document is Graft Polymer (UK) Plc.

2.2 The Company re-registered as a public limited company with the name Graft Polymer (UK) Plc on 1 July 2021.

2.3 The Company's registered office and principal place of business is located at Victoria Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF. The telephone number of the Company's registered office and principal place of business is +44 20 4524 9900.

2.4 The ISIN of the Ordinary Shares is GB00BMD1Z199 and the LEI of the Company is 2138005PH7OJRCRPUD88 and its SEDOL is BMD1Z19.

2.5 The Company's website is <https://graftpolymer.com/investors-relations>, and its contents do not form part of this Document.

2.6 On 1 July 2021, the Company adopted the Articles. The Company operates in conformity with its Articles and the laws of England and Wales.

2.7 The Company is duly authorised and has complied with all relevant statutory consents in relation to its eligibility for the proposed Admission.

### 3 GROUP STRUCTURE

3.1 The Company is the ultimate holding company of the Group. The following table contains details of the Company's subsidiaries, direct and indirect, as at the date of this Document.

<b>Name</b>	<b>Country of Incorporation</b>	<b>Registered Office</b>	<b>Activity</b>	<b>Ownership Interest</b>
Graft Polymer IP Limited (13155105)	England & Wales	Eccleston Yards 25 Eccleston Place, London SW1W 9NF United Kingdom	Intellectual property holding company	100% (direct)
GRAFTBIO Limited (14335261)	England & Wales	Eccleston Yards 25 Eccleston Place, London SW1W 9NF United Kingdom	Bio-polymer research and development company	100% (direct)

### 4 SHARE CAPITAL

4.1 The Ordinary Shares are currently listed on the Standard Segment of the Official List and admitted to trading on the London Stock Exchange's Main Market.

4.2 The Company was incorporated with a share capital of £450 divided into 4,500,000 ordinary shares of £0.0001 each.

4.3 On 6 September 2017: (i) a further 63,500,000 Ordinary Shares of £0.0001 each were allotted in the Company at nominal value. Of these 63,500,000 Ordinary Shares, 15,000,000 Ordinary Shares were allotted at a price of £0.0919 per share (being a premium of £0.0918 per share) for cash, 22,500,000 Ordinary Shares were allotted at a price of £0.0919 (being a premium of £0.0918 per share) for the acquisition of know-how, 8,000,000 Ordinary Shares were issued at nominal value to advisors for the facilitation of the acquisition of know-how and of which 18,000,000 Ordinary Shares were issued at nominal value to the Trustee to be held in trust, meaning

that the issued share capital of the Company following these allotments on 6 September 2017 was £6,800 made up of 68,000,000 Ordinary Shares of £0.0001 each. Pursuant to the terms of a deed of trust, it was agreed that the Trustee would transfer the title to the shares held by way of trust to the relevant beneficiary shareholders upon certain financial milestones having been achieved by the Company. These milestones consisted of an aggregate of 10 million Ordinary Shares to be transferred to the relevant beneficiary shareholders on generation by the Group of €1,000,000 in revenue during a 12-month period; and an aggregate 10 million Ordinary Shares to be transferred to the relevant beneficiary shareholders on generation by the Group of €5,000,000 in revenue during a 12-month period.

- 4.4 On 30 November 2020, the Company allotted a further 2,000,000 Ordinary Shares to the Trustee to increase its share capital to 70,000,000 Ordinary Shares of £0.0001 each (an aggregate nominal value of £7,000);
- 4.5 On 8 March 2021, having conducted a capital reduction, effective 25 February 2021 in order to increase the Company's share premium reserve, the Company carried out a bonus issue of 9 Ordinary Shares for every 1 Ordinary Share held by existing Shareholders ("Bonus Issue"). This resulted in a further 630,000,000 Ordinary Shares of £0.0001 each being issued to Shareholders in line with their proportionate shareholdings at this time and the share capital temporarily being 700,000,000 Ordinary Shares of £0.0001 each (an aggregate nominal value of £70,000). Immediately following the Bonus Issue, as part of the same shareholder resolution process, the Company consolidated the issued share capital so that the number of shares in issue reduced from 700,000,000 to 70,000,000 Ordinary Shares but the nominal value of each increased from £0.0001 to £0.001, retaining an aggregate nominal value of £70,000 for the issued share capital. Save as described in this Paragraph 4.3, the Company's share capital has not been subject to a division or consolidation since the date of incorporation of the Company.
- 4.6 By mutual agreement between the Trustee, the Company and the beneficiary shareholders, the Trustee transferred the legal right to such shares to the beneficiary shareholders on 5 December 2021, notwithstanding that the milestones had not been achieved, the deed of trust was terminated on the same date.
- 4.7 The issued and fully paid-up share capital of the Company at the date of this Document is 124,763,966 Ordinary Shares.
- 4.8 On 2 July 2024, the Company convened a Board meeting for the purposes of considering and approving, strictly subject to and conditional upon Admission:
- 4.8.1 the issue and allotment of 1,800,000,000 Placing Shares to Placees participating in the Placing at the Placing Price;
- 4.8.2 the issue and allotment of 59,666,667 Management Shares, as particularly described in paragraph 13.2 of Part I;
- 4.8.3 the issue and allotment of an aggregate total of 47,500,000 new Ordinary Shares in satisfaction of the payment of various director and adviser fees totalling £47,500 (the "**Fee Shares**") as more particularly described in Paragraph 13.4 of Part I of this Document; and
- 4.8.4 the issue and allotment to Nicholas Nelson and a private investor of 264,000,000 new Ordinary Shares in respect of the conversion of the Loan Facility (described in Paragraph 16.2.1 of this Part) at an implied issue price of £0.001 each (the "**Conversion Shares**").
- 4.9 Subject to and conditional upon the Admission Conditions being satisfied by no later than the Long Stop Date, the Board will issue and allot (or otherwise grant rights to subscribe for) Ordinary Shares as follows:
- 1,800,000,000 Placing Shares;
  - 47,500,000 Fee Shares;
  - 264,000,000 Conversion Shares; and
  - 59,666,667 Management Shares.
- 4.10 Pursuant to the annual general meeting held on 28 June 2024, the Directors were granted the authorities needed to allot shares or to grant rights over shares up to an aggregate nominal amount of £3,000,000.
- 4.11 The following table shows the issued and fully paid-up share capital of the Company as at the date of this Document and as it is expected to be immediately following Admission:

	<i>Number of Ordinary Shares in issue and credited as fully paid</i>	<i>Credited as fully paid-up amount (£)</i>

As at the date of this Document	124,763,966	£124,763.97
As at Admission	2,295,930,633	£2,295,930.63

4.12 Save as disclosed in this Document and in particular, the Loan Facility described at paragraph 16.2.1 of this Part, as at the date of this Document, the Company will have no short, medium or long-term indebtedness.

4.13 Subject to the provisions of the Articles below, the Ordinary Shares are freely transferable and there are no restrictions on transfers.

## 5 Warrants and Rights over Shares

5.1 The Company has in issue the following warrants over Ordinary Shares as at the date of this Document.

Name of Warrant Instrument	Number of Shares subject to Warrants	Date of Grant	Expiry Date	Exercise Price
IPO Warrant Deed	1,255,814	06.01.2022	06.01.2025	£0.215
CMC Warrant Instrument	1,500,000	22.12.2023	04.01.2026	£0.006
Warrant Instrument 2023	10,333,333	22.12.2023	04.01.2026	£0.01
Director Warrants	30,500,000	Admission	Third anniversary of Admission	£0.001 (0.1 pence)
Lender Warrants	264,000,000	Admission	Third anniversary of Admission	£0.001 (0.1 pence)

5.1.1 the Warrants referred to in the table set out in Paragraph 5.1 (above) were granted to the following persons: 1,255,814 warrants issued pursuant to the IPO Warrant Deed were granted to Turner Pope;

5.1.2 1,500,000 warrants issued pursuant to the CMC Warrant Instrument were granted to CMC;

5.1.3 10,333,333 warrants were granted to CMC pursuant to the Warrant Instrument 2023 as a separate tranche;

5.1.4 Subject to and conditional upon Admission, the Company has agreed to grant:

5.1.4.1 30,500,000 Director Warrants pursuant to the Director Warrant Instrument, which are described in paragraph 16.5.5 of this Part; and

5.1.4.2 264,000,000 Lender Warrants pursuant to the Lender Warrant Instrument, which are described in paragraph 16.5.4 of this Part.

5.2 The warrants described in the table at paragraph 5.1 (above) were granted by the Company pursuant to separate warrant instruments and deeds and the terms of each warrant instrument and deeds are more particularly described in paragraph 16.5 of this Part.

5.3 The Company has also entered into the Loan Facility, pursuant to which it was agreed that sums outstanding and borrowed by the Company (including interest) could be converted into Ordinary Shares. As at the Last Practicable Date, the total amount outstanding and borrowed by the Company (including all accrued interest) under the Loan Facility was £264,000 and it was agreed that the Loan Facility would be satisfied by the issue and allotment of 264,000,000 Conversion Shares. It was noted that Mr Nicholas Nelson, a Director of the Company, would receive a total of 132,000,000 Conversion Shares from the conversion.

5.4 Save as otherwise described in this Paragraph 5 of this Part, there are no rights over Ordinary Shares.

## 6 DILUTION OF ORDINARY SHARE CAPITAL

6.1 As a result of the issue of 2,171,166,667 New Shares, the holders of Existing Ordinary Shares will experience a 95 per cent dilution in their participation in share capital and voting rights (that is, their proportionate interest

in the Company will decrease by 94.75 per cent) assuming the holders of Existing Ordinary Shares do not receive any New Shares. The New Shares will together represent 94.57 per cent of the Enlarged Issued Share Capital on Admission and the Existing Ordinary Shares will represent 5.43% of the Enlarged Issued Share Capital on Admission.

6.2 Investors should be aware that with effect from Admission, it is expected that there will be a total of 307,589,147 Warrants in issue representing approximately 13.40 per cent. of the Enlarged Issued Share Capital. The exercise of those securities following Admission would therefore result in further dilution to shareholders and investors.

6.3 Assuming the full exercise of the Warrants expected to be in issue from Admission and assuming that there are no other changes to the share capital structure of the Company following Admission, the fully diluted share capital of the Company will be 2,603,519,780 Ordinary Shares (the "**Fully Diluted Share Capital**"). The Existing Ordinary Shares will represent approximately 4.79 per cent. of the Fully Diluted Share Capital and the New Shares will represent approximately 83.39 per cent. of the Fully Diluted Share Capital.

## 7 RIGHTS ATTACHED TO SHARES

7.1 The New Shares will on Admission rank pari passu in all respects with the Existing Ordinary Shares including the rights to dividends or other distributions thereafter declared, paid or made on the Ordinary Shares. The Articles contain (amongst others) provisions to the following effect:

### 7.2 Dividends and Distributions to Shareholders

- a) There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition, the Directors may pay interim dividends if justified by the profits of the Company available for distribution.
- b) Unless otherwise specified, the dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.
- c) All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall revert to the Company.
- d) There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident Shareholders are present. Subject to the passing of an ordinary resolution by the members, members may be offered the right to elect to receive Ordinary Shares, credited as fully paid, rather than cash.
- e) The Ordinary Shares rank pari passu as a class in terms of preference, restriction and all other rights.

### 7.3 Voting Rights

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls in respect of shares held by him have not been paid.

### 7.4 Pre-emption rights in offers for subscription of securities of the same class

Pursuant section 561 of the Act, Shareholders have a right of pre-emption in respect of the issue of equity securities, including the Ordinary Shares, unless such rights have been disapplied through a special resolution under section 572 of the Act.

### 7.5 Right to share in the issuer's profits

Each holder of an Ordinary Share has an equal right to share in the profits of the Company whether through a distribution or a capitalisation of profits.

### 7.6 Rights to share in any surplus in the event of liquidation.

Each Ordinary Share will be entitled, on a pari passu basis with all other issued Ordinary Shares, to share in any surplus on a liquidation of the Company.



### Uncertificated Shares

In accordance with the CREST Regulations, the Company will not issue a certificate in respect of any share for as long as the title to that share is evidenced without any share certificates and these shares may be transferred without an instrument of transfer. The Company shall enter on the register of members the number of shares held by each member in uncertificated form and in certificated form and shall maintain the register as required by the CREST Regulations.

Uncertificated shares can be converted into certificated shares and vice versa in accordance with the regulations and the relevant systems as the Board thinks fit from time to time.

### Transfers

Subject to the provisions of the Act, all transfers of shares held in certificated form may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee. The Directors may refuse to register the transfer of a certificated share if it is not fully paid, the transfer is not lodged at the Company's registered office or such other appointed place, it is not duly stamped, it is not accompanied by the certificate or similar documents, it is in respect of more than one class of share or if it is in favour of more than four transferees. All transfers of share held in uncertificated form will be affected by means of the relevant system. A transfer of share held in uncertificated form must not be registered if the transfer is in favour of more than four transferees.

### 7.7 Redemption and Conversion provisions

The Ordinary Shares have no redemption or conversion rights.

## 8 DIRECTORSHIPS AND PARTNERSHIPS

8.1 In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

<b>Director</b>	<b>Age</b>	<b>Current Directorships and Partnerships (other than the Group)</b>	<b>Past Directorships and Partnerships on Admission</b>
Nicholas Nelson	59	Nexfin Limited	SOPS Connect Limited SulNOx Fuel Fusions Limited Phimedix PLC SulNOx Research and Development Ltd SulNOx Group PLC Zaim Credit Systems PLC Aterian PLC
Anthony Tennyson	47	Awakn Life Sciences, Corp. Jinzhoula Limited Karmaram Limited Sheltonville Limited Witidita Limited Qtamad D&Z Limited Alpha Tango Limited Empowerment Plus Ltd Graftbio Limited	Canna-Bev Limited Awakn Bristol Limited Awakn Manchester Limited Awakn Life Sciences UK Ltd Verrian Ontario Limited
Yifat Steuer	53	Steuer Consulting Limited Graftbio Limited	Marken Limited Marken Time Critical Express

			Limited Marken (South America) Limited De Facto 1341 Limited Marken Services Limited
Victor Bolduev	67	Graft Polymer IP Limited Polymer Innovations Inc	Metaclay JSC OKAPOL OOO
Pavel Kobzev	42	Pavella d.o.o. Graft Polymer IP Limited	None

## 9 DIRECTORS' CONFIRMATIONS

- 9.1 Save as disclosed in paragraphs 9.2, 9.3, 9.4 and 9.5 of Part VII of this Document, none of the Directors:
- has any convictions in relation to fraudulent offences for at least the previous five years;
  - has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or as a senior manager of any company for at least the previous five years; or
  - has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.
- 9.2 Mr Tennyson was appointed as a director of Awakn Bristol Limited on 9 July 2020. By written resolutions passed on 14 July 2023, the shareholders of Awakn Bristol Limited resolved to voluntarily wind up the company and appoint a liquidator for the purpose of liquidation. The availability of any funds available to be distributed to creditors (including, the timing and mechanism of any distributions) remains to be determined and no date has been set for the dissolution of this company.
- 9.3 Mr Tennyson was appointed as a director of Awakn Life Sciences UK Ltd on 24 July 2020. By written resolutions passed on 6 July 2023, the shareholders of Awakn Life Sciences UK Ltd resolved to voluntarily wind up the company and appoint a liquidator for the purpose of liquidation. The availability of any funds available to be distributed to creditors (including, the timing and mechanism of any distributions, remains to be determined) and no date has been set for the dissolution of this company.
- 9.4 Mr Tennyson was appointed as a director of Awakn Manchester Limited on 18 May 2021. On 16 May 2023, the company voluntary applied to be struck off and dissolved. The dissolution took place on 15 August 2023.
- 9.5 In 2024, Anthony Tennyson was a director of Canna-Bev Limited when it was placed into members voluntary liquidation.

## 10 DIRECTORS' INTERESTS

- 10.1 Save as disclosed in paragraph 17 of Part VII of this Document, the Directors do not have any conflicts or potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have.
- 10.2 Save as disclosed in this paragraph 10.2 none of the Directors nor any member of their immediate families ("**Connected Persons**") has at the date of this Document, or will have on or immediately following Admission, any interests (beneficial or non-beneficial) in any Ordinary Shares.

Name	As at the date of this Document		Immediately following Fundraise and Admission		Number of Warrants held on Admission
	Number of Shares held as at the date of this Document	Percentage of existing ordinary share capital	Number of Shares expected to be held on Admission	Expected percentage of Enlarged Issued Share Capital on Admission	
Anthony Tennyson	Nil	Nil	Nil	Nil	Nil

Nicholas Nelson	Nil	Nil	167,500,000	7.30	142,500,000
Victor Bolduev	30,454,612	24.41%	52,983,778	2.31	Nil
Yifat Steuer	189,761	0.15%	21,900,928	0.95	20,000,000
Pavel Kobzev	1,356,886	1.09%	20,050,086	0.87	Nil

10.3 Subject to and conditional upon Admission occurring not later than the Long Stop Date:

10.3.1 Nicholas Nelson has agreed to subscribe for 25,000 Placing Shares.

10.3.2 Victor Bolduev, Roby Zomer (a consultant and former director), Yifat Steuer, Alexander Brooks (former director) and Pavel Kobzev will be issued and allotted a total of 56,856,000 Management Shares. The Management Shares are being issued and allotted to certain existing and former directors and members of the Group's management team in satisfaction of an existing debt, as more particularly described in paragraph 16.4.2 of this Part;

10.3.3 Mr. Nicholas Nelson and William Potts under the Loan Facility have agreed that the debt under that agreement will be converted resulting in the issue and allotment of a total of 264,000,000 Conversion Shares, as described in paragraph 16.2.1 of this Part. In addition, the Lenders will be granted the Lender Warrants, pursuant to which Nicholas Nelson will receive a total of 132,000,000 Lender Warrants;

10.3.4 the Company will issue and allot an aggregate total of 47,500,000 Fee Shares in satisfaction of monies owed to various Directors, consultants, and advisers to the Company. The following Directors will be issued and allotted Fee Shares: (a) Nicholas Nelson will be issued 10,500,000 Fee Shares; (b) Pavel Kobez will be issued 10,000,000 Fee Shares; and (c) Yifat Stuer will be issued 10,000,000 Fee Shares; and

10.3.5 the Company will grant a total of 30,500,000 Director Warrants, allocated to both Nicholas Nelson (who will hold a total of 10,500,000 Director Warrants) and Yifat Steuer (who will hold a total of 20,000,000 Director Warrants).

10.4 Save as disclosed in paragraphs 10.2 and 10.3 of this Part (above), the Directors (and the respective Connected Persons of a Director) do not hold any options or warrants or other rights over any unissued Shares of the Company.

10.5 Save as disclosed in paragraph 10 of this Part VII, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

10.6 The Company will not be granting any options or warrants prior to or on Admission in addition to the Warrants disclosed in this Document. The Company intends to consider granting new options following Admission, as described in paragraph 10.7 below.

10.7 All options granted under Company's existing LTIP have lapsed. Following Admission, the Company intends to grant options to Directors and members of the Group's management comprising up to 15% of the Enlarged Issued Share Capital.

## 11 MAJOR SHAREHOLDERS

11.1 Save for the Directors and their Connected Persons (within the meaning of section 252 of the Act), at the date of this Document and immediately following Admission, so far as the Directors are aware, no person is directly or indirectly interested in 3 percent. or more of the issued Shares other than as is set out below:

<b>Shareholder</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Number of Ordinary Shares on Admission</b>	<b>Percentage of issued Enlarged Issued Share Capital on Admission</b>
Victor Bolduev (1)	30,454,612	24.41%	52,983,778	2.31%
Craig Burton (2)	13,935,020	11.17%	13,935,020	0.61%

Roby Zomer (3)	5,451,337	4.37%	16,562,337	0.72%
Brett Mitchell (4)	7,869,217	6.31%	7,869,217	0.34%
Premier Fund Managers Limited	5,510,546	4.42%	5,510,546	0.24%
Peel Hunt LLP	6,716,986	5.38%	106,716,986	4.65%
William Potts	-	-	532,000,000	23.17%
Nicholas Nelson (4)	-	-	167,500,000	7.03%
Paul Levinson	-	-	75,000,000	3.27%

(1) Victor Bolduev is a director.

(2) Craig Burton holds his shares through a nominee company, P H Nominees Limited.

(3) Roby Zomer holds 4.37% shares through a nominee company, Chitta Lu Limited. On Admission, he will hold 0.72% of his shares through Chitta Lu Limited.

(4) Brett Mitchell holds 5.01% shares through a nominee company, Platypus Assets Pty Ltd, and 0.60% shares through Lefthanders Superfund and 0.70% shares are held by Sputnik Enterprises Limited, an entity that he owns 50%. On Admission, he will hold 0.27% of his shares through Platypus Assets Pty Ltd, 0.03% through Lefthanders Superfund and 0.04% through Sputnik Enterprises Limited.

(5) Nicholas Nelson is a Director.

11.2 Save as set out in paragraph 11.1 above, to the extent known to the Company, none of the substantial shareholders named above intend to subscribe for Ordinary Shares pursuant to the Fundraise and no person intends to subscribe for more than three per cent of the New Shares.

11.3 Immediately following Admission, as a result of the Fundraise, the Directors expect that a number of persons will have an interest, directly or indirectly, in at least three per cent of the voting rights attached to the Company's issued Ordinary Shares. Such persons will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the DTRs, and such interests will be notified by the Company to the public.

11.4 As at the Last Practicable Date, the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

11.5 Those interested, directly or indirectly, in three per cent or more of the issued Ordinary Shares of the Company do not now, and following, Admission, will not have different voting rights from other holders of Shares.

## 12 TAKEOVER REGULATION

### 12.1 *Mandatory bid*

The Company is subject to the application of the City Code. Under Rule 9 of the City Code, any person who acquires an interest in shares which, taken together with shares in which he or persons acting in concert with him are interested, carry 30 per cent or more of the voting rights in the Company will normally be required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert is interested in shares which in aggregate carry 30 per cent in the voting rights of the Company but which do not carry more than 50 per cent of the voting rights in the Company, a general offer will normally be required to be made if he or any person acting in concert with him acquires an interest in any other shares in the Company. An offer under Rule 9 must be in cash, normally at the highest price paid within the preceding 12 months for any interest in shares of the same class acquired in the Company by the person required to make the offer or any person acting in concert with him.

### 12.2 *Squeeze-out*

Under the Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent of the shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and

pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

### 12.3 **Sell-out**

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the Offers could be accepted, the offeror held or had agreed to acquire not less than 90 per cent of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offerors entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 13 **WORKING CAPITAL**

13.1 The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Group is sufficient for the Company's (and the Group's) present requirements, that is, for at least 12 months from the date of this Document.

## 14 **SIGNIFICANT CHANGE IN THE COMPANY'S FINANCIAL POSITION**

14.1 No significant change in the financial position or financial performance of the Group has occurred since 31 December 2023, being the date of the latest financial information included in Part IV "Documents Incorporated By Reference" of this Prospectus, with the exception of matters referred to in paragraph 14.2 and 14.3.

14.2 The Board decided to fully impair the Slovenian Facility as part of the business strategy to reduce costs and it has therefore undertaken the Disposal.

14.3 On 14 March 2024, Nicholas Nelson together with a private investor (the "**Lenders**") had entered into a loan agreement with the Company, pursuant to which the Lenders agreed to provide a £100,000 working capital loan facility to the Company. The Loan Facility was subsequently increased by £100,000 to an aggregate of £200,000 on 23 April 2024 and the loan facility has been drawn down in full.

## 15 **LEGAL AND ARBITRATION PROCEEDINGS**

15.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Group is aware) which may have, or have had, during the 12 months prior to the date of this Document, a significant effect on the financial position or profitability of the Group.

## 16 **MATERIAL CONTRACTS**

16.1 The following material contracts are those contracts which have been entered into by the Company: (a) in the two years immediately preceding the date of this Document (other than in the ordinary course of business); and (b) which contain any provisions under which the Company has an obligation or entitlement which are, or may be, material to the Company as at the date of this Document.

### 16.2 **Interim Fundraising Documents**

#### 16.2.1 **Loan Facility**

On 14 March 2024, Nicholas Nelson and William Potts and the Company entered into a loan agreement pursuant to which a £100,000 working capital loan facility was granted to the Company. The Loan Facility was subsequently increased by £100,000 to an aggregate of £200,000 on 23 April 2024, and has been drawn down in full against expenses incurred by the Company and attracts a monthly interest rate of 10%. The Loan Facility is repayable on demand, together with accumulated interest, however, the Lenders have the option to convert all or any part of the outstanding balance (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.

### 16.3 **Fundraising Documents**

#### 16.3.1 **Allenby Capital Engagement Letter**

On 19 March 2024, the Company and Allenby Capital entered into the engagement letter, pursuant to which the Company appointed Allenby Capital to act as broker to the Company in connection with the Fundraising and Admission. In exchange for their services, the Company agreed to pay Allenby Capital a corporate finance fee payable in monthly instalments, together with other commissions and expenses for its services as broker as outlined in the engagement letter. The Company agreed to appoint Allenby Capital for a period of 12 months as of the date of the engagement letter.

### 16.3.2 **Placing Agreement with Allenby**

In connection with the Placing, the Company and Allenby have entered into a placing agreement dated 3 July 2024 pursuant to which Allenby has agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. Such agreement is conditional upon, among other things:

- a) the fulfilment by the Company of its obligations under the Placing Agreement;
- b) the Company having allotted the New Shares (conditional only on Admission);
- c) Allenby not having exercised their rights to terminate the Placing Agreement, in accordance with its terms, prior to Admission; and
- d) Admission occurring not later than 8.00 a.m. on 10 July 2024, or such later date as the Company and Allenby may agree, but in any event not later than 8.00 a.m. on 31 July 2024.

The Company has agreed to pay Allenby, provided the Placing Agreement becomes unconditional, a commission payment based on the gross aggregate value of the Placing Shares at the Placing Price. The Company has agreed to pay all of the costs and expenses of and incidental to the Placing whether or not the Placing Agreement becomes unconditional.

The Company has given certain warranties to Allenby as to the accuracy of the information in this document and as to other matters relating to the Group. The Company has given an indemnity to Allenby against any losses or liabilities arising out of the performance by Allenby of their duties under the Placing Agreement. Allenby may terminate the Placing Agreement, before Admission, in certain circumstances, including, amongst other circumstances, for breach of the warranties referred to above or in the case of force majeure or a material adverse change in respect of the condition or prospects of the Group. The Placing Agreement is governed by English law.

### 16.3.3 **Orana Engagement Letter**

On 22 March 2024, the Company entered into an engagement letter with Orana, pursuant to which Orana agree to assist the Company with corporate finance advisory services in connection with the publication of this Document and the Fundraising. Orana have agreed to charge a fee of £12,500 (in cash) and an additional amount of £12,500 required to be settled by the issue and allotment of 12,500,000 Fee Shares strictly subject to Admission.

## 16.4 **2023 FUNDRAISING DOCUMENTS**

### 16.4.1 **2023 December Placing Agreement with CMC**

On 22 December 2023, the Company and CMC Markets UK PLC ("**CMC**"), entered into the CMC Placing Agreement, under which CMC was granted certain powers and authorities in connection with the 2023 Placing. Under the terms of the CMC Placing Agreement, the Company gave certain customary warranties, and also provided an indemnity, in connection with the 2023 Placing, as well as other matters relating to the Group and its affairs.

CMC was able to terminate the CMC Placing Agreement in certain specified circumstances, including if the Company was in material breach of any term of the CMC Placing Agreement, if CMC became aware of any circumstance which has resulted in a material breach of any of the warranties, there had been a material adverse change in the financial or trading position or prospects of the Group, a material new factor or inaccuracy has been discovered relating to the information in the related prospectus, or there had been an adverse event in the markets affecting the London Stock Exchange or the economic financial or political environment. The CMC Placing Agreement was subject to the satisfaction or waiver of a number of conditions prior to IPO Admission, including, certain warranties remaining true and accurate, the allotment and issue of the 2023 Placing Shares (subject to IPO Admission) taking place and admission of the 2023 Placing Shares taking place by 2 January 2024 (or such later time as may be agreed by the Company and CMC, being not later than 19 January 2024).

In consideration of its services under the CMC Placing Agreement, the Company paid a commission to CMC, together with disbursements (as well as any reasonable out of pocket expenses incurred). The Company has also issued 1,500,000 Warrants to CMC in consideration for its services.

### 16.4.2 **Subscription Agreement in relation to the Management Shares**

On 22 December 2023, the Company and the Subscribers of the Management Shares entered into a subscription agreement pursuant to which the Company has agreed to issue and allot 59,666,667 Ordinary Shares conditional on the approval of shareholders on a non-pre-emptive basis for cash and the approval of the FCA of a prospectus and its publication. In exchange, each of the Subscribers of Management Shares have irrevocably agreed to waive the debt of £358,000 of accrued fees owed by the Company as of 20 December 2023.

Subject to and conditional upon Admission Conditions being satisfied on or before the Long Stop Date, the Company will issue in aggregate a total of 59,666,667 Management Shares to the Subscribers of the Management Shares.

## 16.5 Agreements relating to rights over Ordinary Shares

### 16.5.1 IPO Warrant Deed

By resolution of the Board and in connection with the IPO Placing, the Company has determined to create and issue warrants to subscribe for ordinary shares in the capital of the Company on the terms and subject to the conditions of the warrant deed, as executed on 21 December 2021 (the “**IPO Warrant Deed**”).

Under the terms of the IPO Warrant Deed, 1,255,814 warrants were issued to Turner Pope (“**TPI Warrants**”), with an exercise price of 21.5 pence, and a term of 3 years from IPO Admission, to subscribe for up to an aggregate of 1,255,814 new Ordinary Shares.

The TPI Warrants, if exercised in full, would result in the issue of an aggregate of 1,255,814 new Ordinary Shares.

### 16.5.2 CMC Warrant Instrument

By resolution of the Board and in connection with the 2023 Placing, the Company determined to create and issue warrants to subscribe for ordinary shares in the capital of the Company on the terms and subject to the conditions of the warrant instrument, as executed on 22 December 2023 (the “**CMC Warrant Instrument**” and “**Warrant Instrument 2023**”).

Under the terms of the CMC Warrant Instrument, 1,500,000 warrants were issued to CMC (“**CMC Warrants**”), with an exercise price of 6 pence, and a term of 2 years from 4 January 2024, to subscribe for up to an aggregate of 1,500,000 Ordinary Shares.

The CMC Warrants, if exercised in full, would result in the issue of an aggregate of 1,500,000 new Ordinary Shares.

### 16.5.3 Warrant Instrument 2023

Under the terms of the Warrant Instrument 2023, 10,333,333 warrants were issued to CMC (“**Investor Warrants**”), with an exercise price of 1 pence, and a term of 2 years from 4 January 2024, to subscribe for up to an aggregate of 10,333,333 new Ordinary Shares.

The Investor Warrants, if exercised in full, would result in the issue of an aggregate of 10,333,333 new Ordinary Shares.

### 16.5.4 Lender Warrants

In consideration for the conversion of the principal and interest outstanding under the Loan Facility, the Company has agreed to grant to the Lenders warrants over a total of 264,000,000 Ordinary Shares (in aggregate), pursuant to a warrant instrument dated 2 July 2024. The Lender Warrants are being granted conditional on Admission and will be exercisable at any time from Admission up to the third anniversary of Admission. The Lender Warrants are capable of being exercised at an exercise price of £0.001 (0.1 pence) for each Ordinary Share. Mr Nicholas Nelson, a Director of the Company, would receive a total of 132,000,000 Lender Warrants subject to and conditional upon Admission.

### 16.5.5 Director Warrants

Under the terms of a warrant instrument dated 2 July 2024, the Company has granted a total of 30,500,000 warrants to the following Directors based on the terms set out below:

Name of Director	Number of Director Warrants	Exercise Price	Exercise Period
Nicholas Nelson	10,500,000	£0.001	Admission up to the third anniversary of Admission
Yifat Steuer	20,000,000	£0.001	Admission up to the third anniversary of Admission

The Director Warrants will be granted subject to and conditional upon Admission.

## 16.6 Material Contracts with Argent and Victor Bolduev

### 16.6.1 Research and Development Agreement

In 2019, Graft Polymer Slovenia entered into a Research and Development Agreement with Argent pursuant to which the parties agreed that Graft Polymer Slovenia would conduct research for Argent and the other members of the Argent with regard to the following:

- a) "CimetrA®" - proprietary bio-Investigation medicinal product targeting COVID-19 symptoms based on SNEDDS in forms of spray and powder.
- b) "CannEpiL-IL™" SNEDDS form of nanoemulsion based on CBD/THC for the treatment of epilepsy.

For the avoidance of doubt, no member of the Group possesses any cannabinoid substances for the purposes of conducting the research on behalf of Argent.

Pursuant to the terms of the agreement, Argent was required to pay EUR 1.5 million for research conducted by Graft Polymer Slovenia. In 2020, the parties amended the agreement, reducing the scope and amount of the payment for the research to EUR 500,000, which was paid in full. This agreement has now concluded, but has been included in this section for context and it is noted that Graft Polymer Slovenia is no longer part of the Group.

### 16.6.2 License and Royalty Agreement

On 21 September 2021, Graft Polymer IP entered into a licence agreement with Argent (being the **Argent Licence & Royalty Agreement**). Graft Polymer IP has agreed to grant Argent a worldwide, non-sublicensable licence to use the intellectual property rights in certain inventions, technologies and products relating to DDS IP ("**Licence**") for the sole purpose of manufacturing the Licensee's 'CimetrA®' and 'CannEpiL-IL™ (CannEpiL Ionic Liquid)' products and any improvement, change or derivative of those products and any other products which may be mutually agreed between the parties (together the "**Argent Product**") ("**Licence**").

All title, rights and interests in or to Argent Product produced by Argent in exercising its rights under the Licence shall vest in Argent. Graft Polymer IP does not acquire any right or interest to or in the finished form of Argent Product by virtue of granting the Licence. Graft Polymer IP will own the IP rights to any change, modification or improvement made by Argent in connection with the DDS IP. In consideration for the Licence, Argent shall pay to Graft Polymer IP a royalty of €1 per each unit of the Argent Product sold or otherwise commercialised by Argent ("**Royalty**") (except in relation to units supplied free of charge for purposes of research and development).

Graft Polymer IP gives customary warranties under the agreement and Graft Polymer IP indemnifies Argent against all liabilities, costs, expenses, damages and losses (including legal costs) suffered or incurred by Argent arising out of or in connection with any breach of the warranties or the enforcement of the agreement. No party is liable to the other for any indirect, special or consequential damage and any liability under the agreement shall be capped at the amount of Royalty actually received by Graft Polymer IP during the six-month period preceding the relevant liability event.

The Licence will last for a term of ten years and will automatically renew for ten further years unless terminated. Each party has the right to terminate the agreement for certain reasons including, but not limited to, a material breach of the agreement which is not remedied within 20 days or either party becoming insolvent.

### 16.6.3 Victor Bolduev Royalty Agreement

On 21 December 2021, the Company entered into a profit share agreement with Victor Bolduev ("**Profit Share Agreement**"). The Profit Share Agreement has been entered into as a result of the fact that the SSA terminated on IPO Admission, in order that the Founder will retain his right to the royalty. Under the terms of the Profit Share Agreement, which was conditional on IPO Admission, the Company has agreed to pay a royalty of 7 per cent. of the profit (being EBITDA less the administration costs and expenses of the Company for the relevant Financial Year as determined in the audited financial accounts of the Company from year to year) from sales or licence income of the Company, on a monthly basis up to an aggregate amount of €3,500,000, which will commence upon the Company achieving monthly profit of €20,000. To date, no royalty has been paid or accrued.

Any dividend, payment, profit-share or other amount paid to the Founder by the Company in excess of any salary of management fee payable under his service agreement shall be deemed part payment of the amount due to the Founder pursuant to the terms of the Profit Share Agreement

### 16.6.4 2017 Assignment

The Company entered into an Assignment of Rights Agreement ("**Assignment Agreement**") dated 29 May 2017 with Victor Bolduev, Pavel Kobzev and Graft Polymer Slovenia (together "**the Assignors**"). Pursuant to the Assignment Agreement, the Assignors assigned to the Company absolutely with full title guarantee all their right, title and interest in all agreements permits, licenses, domains, trademarks, databases, designs, hardware, software (including, without limitation, source code and object code for software), any written, graphic or



machine-readable information, technical data, methods, plans, statistics, reports, know-how, Company's data, including, but not limited to, that which relates to Intellectual Property whether registered or not, patents, patent applications, research, product plans, products, developments, inventions, processes, drawings, engineering, formulae, markets, hardware configuration, computer programs, algorithms, business plans, data base, agreements with third parties, services, customers list and information, associates and partners information, information regarding the marketing or finances of Company and other materials, listed in Schedule 1 of the Assignment Agreement. The Assignment Agreement contains certain warranties from the Assignors in favour of the Company in respect of the rights assigned, and an indemnity for any costs or losses arising in connection with any breach of said warranties or otherwise of the terms of the Assignment Agreement.

#### 16.6.5 2021 Assignment and Licenses

Various assignment and licences have been entered into between various members of the Group and certain Directors in order for all the IP of the Group is held by Graft Polymer IP, which in turn has agreed to licence such IP to Graft Polymer Slovenia, as follows:

- a) On 21 December 2021, Graft Polymer IP entered into a deed of assignment with Graft Polymer Slovenia pursuant to which it assigned all of the IP rights and any other materials (such as inventions, manuals, trade secrets, recipes, processes, formulae, data, know-how and product names) which are owned, obtained or developed by Graft Polymer Slovenia now or in the future. Pursuant to the agreement, Graft Polymer Slovenia gave certain standard representations and warranties (on an indemnity basis) to Grant Polymer IP in respect of the IP rights it assigned;
- b) On 21 December 2021, Graft Polymer IP entered into a deed of assignment with each of the Founder and Pavel Kobzev pursuant to which the Founder and Mr Kobzev assigned all of the IP rights to the extent that any such rights had not already been assigned pursuant to their respective service contracts with Graft Polymer Slovenia. Pursuant to the agreement, the Founder and Mr Kobzev gave certain standard representations and warranties (on an indemnity basis) to Grant Polymer IP in respect of the IP rights they assigned; and
- c) On 21 December 2021, Graft Polymer IP granted Graft Polymer Slovenia a non-exclusive, worldwide, revocable licence of all the IP which it owns or has licenced. The term of the licence is indefinite but can be terminated, and certain IP or categories of IP can be excluded, at any time, at the option of Graft Polymer IP, on one month's written notice. Graft Polymer Slovenia is required to pay Graft Polymer IP a royalty of 10 per cent. of an adjusted net revenue amount, payable annually. Graft Polymer Slovenia has agreed to give certain assurances to Graft Polymer IP that that licenced products are safe and appropriate licences have been obtained for their use, and has agreed to indemnify Graft Polymer IP against any loss arising from its exercise of the rights granted under the licence, or a breach or negligent performance of the agreement. Graft Polymer Slovenia is entitled to sub-licence IP in certain defined circumstances.

### 16.7 Disposal

#### 16.7.1 Share Purchase Agreement in respect of the Disposal

On 2 May 2024, the Company entered into a share purchase agreement, pursuant to which the Company had agreed to sell and the purchaser had agreed to purchase, the entire issued share capital of Graft Polymer Slovenia for a nominal consideration of €1.

### 17 RELATED PARTY TRANSACTIONS

17.1 Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with Regulation (EC) No 1606/2002), that the issuer has entered into since the date of the last financial statements, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable:

17.1.1 Nicholas Nelson, a Director of the Company, had agreed to subscribe for a total of 25,000,000 Placing Shares, as part of the Placing.

17.1.2 Nicholas Nelson, a Director of the Company, and William Potts (together the "**Lenders**") provided a working capital loan to the Company in the aggregate amount of £200,000, pursuant to a loan agreement dated 14 March 2024 as amended by the parties on 23 April 2024 (the "**Loan Facility**"). The Loan Facility has been drawn down in full against expenses incurred by the Company and attracts a monthly interest rate of 10%. The Loan Facility is repayable on demand, together with accumulated interest, however, the Lenders have the option to convert all or any part of the outstanding balance (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 (the "**Conversion Shares**"). It has been agreed that conditional on Admission, the sum of £264,000 (including all accrued interest) outstanding under the Loan Facility will be converted into 264,000,000 Conversion Shares, of which Mr Nicholas Nelson will receive a total of 132,000,000 Conversion Shares. In addition, the Lenders

will be granted the Lender Warrants, pursuant to which Nicholas Nelson will receive a total of 132,000,000 Lender Warrants.

- 17.1.3 Victor Bolduev, Roby Zomer (a former Director), Yifat Steuer, Pavel Kobzev, Alexander Brooks (a former Director), Anthony Eastman (as company secretary) and entities associated to them have subscribed for a total of 59,666,667 Ordinary Shares conditional upon the publication of this Document and Admission ("**Management Shares**"). The consideration for the grant of these Management Shares is the release of the debt owed by the Company to each of these individuals and entities associated with them. The existing directors will be issued the following number of Management Shares, (a) Victor Bolduev will be issued 22,529,166 Management Shares; (b) Yifat Steuer will be issued 11,711,167 Management Shares; and (c) Pavel Kobzev will be issued 8,694,000 Management Shares.
- 17.1.4 Conditional upon Admission, the Company would issue and allot an aggregate total of 47,500,000 Fee Shares in satisfaction of monies owed to various directors, and advisers to the Company. The following Directors will be issued and allotted Fee Shares: (a) Nicholas Nelson will be issued 10,500,000 Fee Shares; (b) Pavel Kobzev will be issued 10,000,000 Fee Shares; and (c) Yifat Steuer will be issued 10,000,000 Fee Shares. Orana will be issued a total of 12,500,000 Fee Shares, a corporate entity related to company secretary Anthony Eastman (being, the company secretary).
- 17.1.5 Conditional on Admission, the Company had agreed to grant a total of 30,500,000 Director Warrants, which are to be allocated to both Nicholas Nelson (who would hold a total of 10,500,000 Director Warrants) and Yifat Steuer (who will hold a total of 20,000,000 Director Warrants).
- 17.1.6 During the period ended 31 December 2023, the Group received €185,425 of revenue from Argent. Roby Zomer was a director of both the Company and Argent BioPharma Limited. Yifat also serves as Chief Operating Officer of Argent; and
- 17.1.7 In accordance with the terms of the letters of appointment or service agreements entered into by each of the Directors, further details of which are set out in paragraph 4 of Part II of this Document, the Directors may be required to seek the agreement of the Board before accepting commitments outside their role in the Group, in addition to those already disclosed to the Company, which might give rise to a conflict of interest with any of their duties to the Group.

## 18 DATA PROTECTION

- 18.1 The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:
- a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
  - b) carrying out the business of the Company and the administering of interests in the Company;
  - c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
  - d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.
- 18.2 Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:
- a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
  - b) transfer personal data in countries or territories which do not offer the same level of protection for the rights and freedoms of prospective Investors as the United Kingdom.
- 18.3 If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data. In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

19 **GENERAL**

- 19.1 Save as described in this Document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.
- 19.2 The fees and expenses to be borne by the Company in connection with the Fundraise and Admission, including the professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £315,000 (excluding VAT).
- 19.3 PKF Littlejohn LLP, having its registered office at 15 Westferry Circus, Canary Wharf, London, E14 4HD, have been appointed as the auditors of the Company and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The Company's year-end is 31 December.
- 19.4 The Company's annual report and accounts will be made up to 31 December in each year. It is expected that the Company will make public its annual report and accounts within four months of each financial year-end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year-end (or earlier if possible).
- 19.5 The Company regularly publishes announcements via the RNS system and its website. Below is a summary of the information disclosed in accordance with the Company's obligations under MAR over the last 12 months which are relevant as at the date of this Document. In addition to the RNS system, full announcements can be accessed on the webpage of the Company: <https://graftpolymer.com/investors-relations>.
- 19.5.1 On 20 March 2023, the Company announced the publication of an updated corporate presentation.
- 19.5.2 On 21 March 2023, the Company announced that MCG Pharmaceuticals Ltd's ArtemiC™ proprietary clinically tested COVID 19 treatment, which used the Company's drug delivery systems, had been listed as an over-the-counter drug on the US Food and Drug Administration's National Drug Code Database, facilitated by Argent's supply.
- 19.5.3 On 27 April 2023, the Company announced its final results for the period ended 31 December 2022.
- 19.5.4 On 16 May 2023, the Company announced that Alex Brooks, Non-Executive Director of the Company, acquired 56,399 shares in the Company. Following this acquisition of shares, Alex Brooks had a total beneficial interest in 475,004 shares.
- 19.5.5 On 4 July 2023, the Company announced its next annual general meeting.
- 19.5.6 On 5 July 2023, the Company announced the completion and commissioning of a bespoke production equipment site in Slovenia which was due around the end of July 2023 and would enable the Company to double its production capacity.
- 19.5.7 On 6 July 2023, the Company announced the signing of an R&D and supply agreement with Gabriel Chemie for a year.
- 19.5.8 On 26 July 2023, the Company announced the signing of a distribution agreement with Inter-Technologies Inc.
- 19.5.9 On 27 July 2023, the Company announced that all resolutions were passed at its annual general meeting.
- 19.5.10 On 23 August 2023, the Company announced the signing of a manufacturing services agreement for production of homeostatic wound care products.
- 19.5.11 On 30 August 2023, the Company announced the signing of an R&D Supply agreement with Empreas Wilher, Mexico, a Mexican company that specialises in Wood Plastic Composite, Plastic Recycling, and High-Performance Compounds.
- 19.5.12 On 4 September 2023, the Company announced the signing of an R&D and supply agreement with Forpet Baltic, SIA.
- 19.5.13 On 11 September 2023, the Company announced the signing of an R&D agreement with the Slovenian Faculty of Polymer Technology to research and produce pivotal vitrimer polymer products.
- 19.5.14 On 27 September 2023, the Company announced its interim financial results for the period ended 30 June 2023.
- 19.5.15 On 27 September 2023, the Company announced the publication of an updated investor presentation.
- 19.5.16 On 9 October 2023, the Company announced the signing of an agreement within the European consortium for the University of Belgrade to explore the scope for addressing electromagnetic wave pollution, with potential economic impacts for the electronics industry.
- 19.5.17 On 22 December 2023, the Company announced that it had conditionally placed 20,666,667 new ordinary shares of 0.1 pence each in the capital of the Company with a new cornerstone investor at a price of 0.6 pence per share. In addition, the Company received conditional subscriptions for 51,916,667 ordinary shares at a price of 0.6 pence per share.

- 19.5.18 On 27 December 2023, the Company announced its next general meeting.
- 19.5.19 On 8 January 2024, the Company announced the disposal of shares by a person discharging managerial responsibility (PDMR) as well as the subscription of shares, subject to various conditions being met, by certain PDMRs and persons closely associated with PDMRs.
- 19.5.20 On 8 January 2024, the Company announced that it had received a TR1 notification of major holdings from Victor Bolduev.
- 19.5.21 On 8 January 2024, the Company announced that it had received a TR1 notification of major holdings from Alba Capital Pty Ltd.
- 19.5.22 On 8 January 2024, the Company announced that it had received a TR1 notification of major holdings from Brett Michell.
- 19.5.23 On 8 January 2024, the Company announced that it had received a TR1 notification of major holdings from Roby Zomer.
- 19.5.24 On 8 January 2024, the Company announced that it had received a TR1 notification of major holdings from Mitchell Superannuation Fund A/C.
- 19.5.25 On 8 January 2024, the Company further announced that all resolutions were duly passed at its annual general meeting.
- 19.5.26 On 15 March 2024, the Company announced the resignation of Roby Zomer and Alex Brooks as directors and the appointment of Nicholas Nelson as non-executive Chairman with immediate effect. The Company further announced that it had entered into a working capital loan facility.
- 19.5.27 On 23 April 2024, the Company announced the increase of the working capital loan facility announced on 15 March 2024 by £100,000.
- 19.5.28 On 30 April 2024, the Company announced its final results for the year ended 31 December 2023.
- 19.5.29 On 2 May 2024, the Company announced changes to the Board including the appointment of Anthony Tennyson as Executive Director and Chief Executive Officer and the termination of Victor Bolduev as Chief Executive Officer. It also announced that Victor Bolduev would remain on the board of the Company as Chief Technology Officer.
- 19.5.30 On 3 May 2024, the Company announced the disposal of the Slovenian entity, Graft Polymer Slovenia, to a private consortium in Slovenia for nominal consideration.
- 19.5.31 On 7 May 2024, the Company announced that it had been granted a patent with reference P-202400066 and titled "Dual hydrogel multi-crosslinking haemostatic composition and method of manufacturing thereof".
- 19.5.32 On 9 May 2024, the Company provided an overview of recent development as the Company focuses on opportunities in the healthcare industry through its Graft Bio division.
- 19.5.33 On 28 May 2024, the Company announced that it had filed a utility patent application (provisional) with the United States Patent and Trademark Office (USPTO) for the use of its proprietary and patented self-nanoemulsifying drug delivery systems (SNEDDS) platform for the delivery of drugs for the treatment of substance use disorders.
- 19.5.34 On 31 May 2024, the Company announced that it had filed a second utility patent application (provisional) with the United States Patent and Trademark Office for the use of the Company's proprietary and patented self-nanoemulsifying drug delivery systems (SNEDDS) platform for the delivery of drugs for the treatment of mental health disorders such as Generalised Anxiety Disorder (GAD), Major Depressive Disorder (MDD) and Post-Traumatic Stress Disorder (PTSD).
- 19.5.35 On 4 June 2024, the Company announced that it had convened its 2024 Annual General Meeting.
- 19.5.36 On 7 June 2024, the Company announced updates on its recent developments and plans for the future.
- 19.5.37 On 28 July 2024, the Company announced that the Company had held its 2024 Annual General Meeting and all resolutions proposed at the meeting had been passed.

## 20 **CONSENTS**

- 20.1 Where third party information has been referenced in this Document, the source of that third party information has been disclosed. Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 20.2 PKF Littlejohn LLP, acting in its capacity as the auditor to the Company, has no material interest in the Company and has given and not withdrawn its written consent to the inclusion of its name in the form and context in which they are included.

- 20.3 PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London, United Kingdom, E14 4HD is the auditor of the Company. PKF Littlejohn LLP is a member firm of the Institute of Chartered Accountants in England and Wales and registered under the Statutory Audit Directive with the Register of Statutory Auditors number C002139029.
- 20.4 Allenby Capital Limited has given and not withdrawn their consent to the inclusion in this Document of their name in the form and in the context in which it appears.

## 21 **AVAILABILITY OF THIS DOCUMENT**

- 21.1 Copies of the following documents are accessible, free of charge during normal business hours, from the registered office of the Company, for a period of 12 months following the date of this Document:
- 21.1.1 this Document;
  - 21.1.2 up to date memorandum and articles of association of the Company; and
  - 21.1.3 the audited annual accounts and unaudited interim financial information incorporated into this Document by reference and as set out at Part IV of this Document.
- 21.2 In addition, this Document will be published in electronic form and be available on the Company's website at <https://graftpolymer.com/investors-relations>. subject to certain access restrictions applicable to persons located or resident outside the United Kingdom, from the date of publication.

## PART VIII - NOTICES TO INVESTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA, as competent authority under the UK Prospectus Regulation and has been filed with the FCA in accordance with the Prospectus Regulation Rules. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is subject of this Document or of the quality of the securities that are the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. No arrangement has been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any EEA state (or in any other jurisdiction). Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below.

### For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Regulation (each, a “**Relevant Member State**”), an offer to the public of the Shares may only be made in accordance with the Prospectus Regulation as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

- to any legal entity which is a Qualified Investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than Qualified Investors as defined in the Prospectus Regulation) per Relevant Member State; or
- in any other circumstances to which an exemption under the Prospectus Regulation applies, falling within Article 1(3) and (4) of the Prospectus Regulation and, if the Relevant Member State has implemented the relevant provision, Article 3(2) of the Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any other person of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires the Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Company that it is a Qualified Investor within the meaning of Article 2(1)(c) of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any offer of Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares.

During the period up to but excluding the date on which the Prospectus Regulation is implemented in member states of the EEA, this Document may not be used for, or in connection with, and does not constitute, any offer of Shares or an invitation to purchase or subscribe for any Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

### For the attention of UK investors

This Document has been approved by the Financial Conduct Authority (the “**FCA**”), as competent authority under the Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is subject to this Document or of the quality of the securities that are subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

In the United Kingdom this Document is for distribution to, and is directed only at, legal entities which are Qualified Investors as defined under the Prospectus Regulation and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the “**Financial Promotions Order**”); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Financial Promotions Order, (all such persons together being “**Relevant Persons**”). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

## PART IX - DEFINITIONS

<b>“2023 Placing”</b>	the placing carried out by the Company in December 2023, pursuant to which the Company placed 20,666,667 new Ordinary Shares of 0.1 pence each in the capital of the Company;
<b>“2023 Placing Shares”</b>	the 20,666,667 Ordinary Shares issued by the Company pursuant to the 2023 Placing;
<b>“Admission”</b>	admission of the New Shares to the Official List and trading on the Main Market;
<b>“Admission Conditions”</b>	means the satisfaction of the conditions set out in Paragraph 2 of Part III of this Document;
<b>“Allenby Capital” or “Allenby”</b>	Allenby Capital Limited, as broker to the Company for the purpose of this Document;
<b>“Argent”</b>	Argent BioPharma Ltd, a public company formed under the laws of Australia with Australian Business Register number 30 116 800 269, previously known as MGC Pharmaceuticals Ltd;
<b>“Argent Licence &amp; Royalty Agreement”</b>	the agreement entered into between Graft Polymer IP and Argent, details of which are set out at paragraph 16.6.2 of Part VII of this Document ( <i>Additional Information</i> );
<b>“Argent Product”</b>	Cimetra (including, its OTC version, ArtemiC™) and Cannepil-IL™
<b>“Articles”</b>	the articles of association of the Company;
<b>“Assignment Agreement”</b>	the assignment of rights agreement dated 29 May 2017, entered into between the Company and the Assignors;
<b>“Assignors”</b>	each of Victor Bolduev, Pavel Kobzev and Graft Polymer Slovenia;
<b>“Bio Division”</b>	the Company’s business division relating to the commercialisation of its drug delivery system;
<b>“Board”</b>	the board of Directors of the Company;
<b>“Broker” or “Allenby Capital”</b>	Allenby Capital Limited or Allenby Capital;
<b>“City Code”</b>	the City Code on Takeovers and Mergers;
<b>“CMC Placing Agreement”</b>	the placing letter from CMC signed by placees providing an irrevocable conditional application for subscriptions for New Shares pursuant to the 2023 Placing;
<b>“CMC”</b>	CMC Markets UK PLC;
<b>“CMC Warrants”</b>	the warrants to subscribe for, in aggregate, 1,500,000 Ordinary Shares created pursuant to the CMC Warrant Instrument;
<b>“CMC Warrant Instrument”</b>	the instrument governing the issue of the CMC Warrants, further detail on which is contained in paragraph 17.3.2 of Part VII of this Document ( <i>Additional Information</i> );
<b>“Companies Act” or “Act”</b>	the Companies Act 2006 (as amended);
<b>“Company” or “Issuer”</b>	Graft Polymer (UK) PLC;
<b>“Connected Persons”</b>	a person connected with an individual or company within the meaning of sections 252 to 255 of the Act;



<b>“Conversion Shares”</b>	new Ordinary Shares issued by the Company at a price and time agreed between the Lenders and the Company pursuant to the Loan Facility;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
<b>“CREST”</b>	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form, operated by Euroclear;
<b>“DDS”</b>	drug delivery system;
<b>“DDS IP”</b>	GraftBio’s self-nano-emulsifying drug delivery system;
<b>“Directors”</b>	the directors of the Company as at the date of this Document, whose names appear on page 22 of this Document;
<b>“Director Warrants”</b>	the warrants to subscribe for, in aggregate, 30,500,000 Ordinary Shares granted to Directors, Yifat Steuer and Nicholas Nelson, pursuant to the Director Warrant Instrument;
<b>“Director Warrant Instrument”</b>	the instrument governing the issue of the Director Warrants, further detail on which is contained in paragraph 16.5.5 of Part VII of this Document (Additional Information);
<b>“Disposal”</b>	the disposal of Graft Polymer Slovenia. which occurred on 2 May 2024;
<b>“Document” or “Prospectus”</b>	this prospectus;
<b>“DTRs”</b>	the FCA’s Disclosure Guidance and Transparency Rules;
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation;
<b>“Enlarged Issued Share Capital”</b>	the expected issued share capital of the Company on Admission, being 2,295,930,633 Ordinary Shares;
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST;
<b>“Executive Directors”</b>	the executive Directors of the Company, as at the date of this Document;
<b>“Existing Shareholders”</b>	the holders of the Existing Ordinary Shares;
<b>“Existing Ordinary Shares”</b>	the 124,763,966 Ordinary Shares in issue as at the Last Practicable Date;
<b>“Facility Agreement”</b>	the loan agreement between the Lenders and the Company dated 14 March 2024 as amended by the parties on 23 April 2024;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“Fee Shares”</b>	means 47,500,000 new Ordinary Shares to be issued and allotted to various Directors, consultants and advisers as particularly described in Paragraph 13.4 of Part I (“Information on the Group”) of this Document;
<b>“Founder”</b>	Victor Bolduev;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“Fundraising” or “Fundraise”</b>	means the Placing;

<b>“Graft Polymer IP”</b>	Graft Polymer IP Limited, a 100 per cent. subsidiary of Graft Polymer registered in England and Wales with company number 13155105;
<b>“Graft Polymer Slovenia”</b>	Graft Polymer d.o.o., a former 100 per cent. Owned subsidiary of Graft Polymer registered in Slovenia with registration number 8056200000;
<b>“Graft Polymer” or the “Company”</b>	Graft Polymer (UK) Plc, a company registered in England & Wales with company number 10776788;
<b>“Group”</b>	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Companies Act);
<b>“HMRC”</b>	His Majesty’s Revenue and Customs;
<b>“ICAEW”</b>	the Institute of Chartered Accountants in England and Wales;
<b>“IFRS”</b>	International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards;
<b>“Investor Warrants”</b>	the warrants to subscribe for, in aggregate, 10,333,333 Ordinary Shares being issued to certain subscribers created pursuant to the Warrant Instrument 2023;
<b>“IPO Admission”</b>	the admission of the Company’s shares to listing on the Official List and to trading on the London Stock Exchange’s Main Market on 6 January 2022;
<b>“IP”</b>	intellectual property;
<b>“IPO Placing”</b>	The conditional placing of the placing shares at the relevant fundraise price pursuant to the placing agreement at IPO Admission;
<b>“IPO Warrant Deed”</b>	the deed governing the issue of the TPI Warrants, further detail on which is contained in paragraph 17.3.1 of Part VII of this Document (Additional Information);
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Last Practicable Date”</b>	2 July 2024, being the last practicable date prior to the publication of this Document;
<b>“LEI”</b>	Legal Entity Identifier;
<b>“Lenders”</b>	Nicholas Nelson and William Potts;
<b>“Lender Warrants”</b>	the warrants to subscribe for, in aggregate, 264,000,000 Ordinary Shares granted to the Lenders pursuant to the Lender Warrant Instrument;
<b>“Lender Warrant Instrument”</b>	the instrument governing the issue of the Lender Warrants, further detail on which is contained in paragraph 16.5.4 of Part VII of this Document (Additional Information);
<b>“Licence”</b>	has the meaning given to it in Paragraph 16.6.2 of Part VII ( <i>Additional Information</i> );
<b>“Listing Rules” or “LRs”</b>	the listing rules made by the FCA under section 73A of FSMA, as amended;
<b>“Loan Facility”</b>	the loan facility dated 14 March 2024 as more particularly described in paragraph 16.2.1 of Part VII ( <i>Additional Information</i> );

<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	means 31 July 2024;
<b>“Main Market”</b>	the Main Market for listed securities of the London Stock Exchange;
<b>“Management Shares”</b>	the conditional subscription of 59,666,667 Ordinary Shares subscribed to by certain Directors, members of senior management and entities associated to them as more particularly described in paragraph 17.2.2 of Part VII;
<b>“MAR”</b>	the EU Market Abuse Regulation (2014/596/EU) as brought into UK domestic law by virtue of European Union (Withdrawal) Act 2018 as amended;
<b>“MiFID II Product Governance Requirements”</b>	EU Directive 2014/65/ EU on markets in financial instruments, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended and Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, as amended supplementing MiFID II; and (c) local implementing measures;
<b>“MiFID II”</b>	EU Directive 2014/65/ EU on markets in financial instruments, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended;
<b>“Net Proceeds”</b>	The total net proceeds raised as a result of the Placing which are approximately £1,485,000;
<b>“New Shares”</b>	the 2,171,166,667 new Ordinary Shares proposed to be issued and allotted subject to and conditional upon the satisfaction of the Admission Conditions (including for the avoidance of doubt, the 1,800,000,000 Placing Shares, 59,666,667 Management Shares, 47,500,000 Fee Shares and 264,000,000 Conversion Shares);
<b>“Non-Executive Directors”</b>	the non-executive Directors of the Company as at the date of this Document;
<b>“Official List”</b>	the Official List of the FCA;
<b>“Orana”</b>	Orana Corporate LLP registered in England and Wales at registered office address 25 Eccleston Place, London, England, SW1W 9NF;
<b>“Ordinary Shares” or “Shares”</b>	the ordinary shares of £0.001 each in the capital of the Company;
<b>“Placees”</b>	those persons who have taken part in the Placing;
<b>“Placing”</b>	means the proposed placing of the Placing Shares on behalf of the Company by Allenby Capital at the Placing Price described in this Document;
<b>“Placing Agreement”</b>	The placing agreement dated 3 July 2024 between the Company and Allenby Capital relating to the Placing and Admission, details of which are set out at paragraph 16.3.2 of Part VII of this Document ( <i>Additional Information</i> );
<b>“Placing Letter”</b>	the placing letter from Allenby Capital signed by Placees providing an irrevocable conditional application for subscriptions for New Shares pursuant to the Placing;

<b>“Placing Price”</b>	£0.001 (0.1 pence);
<b>“Placing Shares”</b>	the 1,800,000,000 new Ordinary Shares being issued pursuant to the Placing;
<b>“Polymer Division”</b>	the Company’s business division relating to polymer modification solutions of plastic and rubber processing;
<b>“Pounds Sterling” or “£”</b>	British pounds sterling, the lawful currency of the UK;
<b>“Premium Listing”</b>	a listing on the premium segment of the Official List;
<b>“Profit Share Agreement”</b>	the profit share agreement dated 21 December 2021 entered into between the Company and Victor Bolduev;
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under Part VI of the FSMA, as amended;
<b>“QCA Code”</b>	the 2018 Edition of the Corporate Governance Code for Small and Mid-size Quoted Companies published by the Quoted Companies Alliance;
<b>“Relevant Member State”</b>	each member state of the European Economic Area;
<b>“Research and Development Agreement”</b>	the research and development agreement entered into by Graft Polymer Slovenia and Argent on 30 October 2019;
<b>“Restricted Jurisdiction”</b>	United States, Australia, Canada, Japan, South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction;
<b>“RIS”</b>	means a regulatory information service authorised by the FCA to receive, possess and disseminate regulatory information in respect of listed companies;
<b>“Royalty”</b>	The royalty to be paid by Argent to Graft Polymer IP of €1 per each unit of the Argent Product sold or otherwise commercialised by Argent;
<b>“SDRT”</b>	Stamp duty reserve tax;
<b>“SEDOL”</b>	Stock Exchange Daily Official List;
<b>“Shareholder(s)”</b>	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time;
<b>“SIPO”</b>	Slovenian Intellectual Property Office;
<b>“Slovenian Facility”</b>	The Company’s previous facility in Slovenia which was used for manufacturing and production;
<b>“SSA”</b>	The subscription and shareholders’ agreement dated 29 May 2017 entered into between the Sputnik Enterprises Ltd, Chieftain Securities Pty Ltd and Alba Capital Pty Ltd;
<b>“Standard Listing”</b>	a listing on the standard segment of the Official List;
<b>“Subscribers of Management Shares”</b>	Victor Bolduev, Roby Zomer, Yifat Steuer, Pavel Kobzev, Alexander Brooks and Anthony Eastman;
<b>“subsidiary” or “subsidiary undertaking”</b>	have the meanings given to them in the Act;

<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers published by the Takeover Panel;
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“Target Market Assessment”</b>	the product approval process, which has determined that the Ordinary 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 MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II
<b>“Trustee”</b>	Adv. Shachar Shimony through Shachar Shimony - Law Firm LLP;
<b>“Turner Pope”</b>	Turner Pope Investments (TPI) Ltd, broker to the Company for the purpose of IPO Admission;
<b>“U.S. Exchange Act”</b>	U.S. Securities Exchange Act of 1934;
<b>“U.S. Securities Act”</b>	U.S. Securities Act of 1933;
<b>“UK or United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland;
<b>“UK Prospectus Regulation”</b>	the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended;;
<b>“uncertificated” or “in uncertificated form”</b>	Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST;
<b>“Warrant Instrument 2023”</b>	the instrument governing the issue of the Investor Warrants, further detail on which is contained in paragraph 17.3.3 of Part VII of this Document (Additional Information); and
<b>“Warrants”</b>	together, the TPI Warrants; CMC Warrants; Investor Warrants; the Director Warrants and the Lender Warrants.

## PART X - GLOSSARY OF TECHNICAL TERMS

<b>£ and p</b>	United Kingdom pounds Sterling and pence, respectively
<b>EU€ or € or EURO</b>	Euro
<b>R&amp;D</b>	research and development
<b>“SMSEP”</b>	self-emulsified natural active substances;
<b>SNEDDS</b>	self-nano emulsifying drug delivery system
<b>US\$</b>	United States Dollar