

19 September 2016

Revolymmer plc ("Revolymmer" or the "Company")
Divestment of Nicotine Gum Business

Further to the announcement published on 20 June 2016, Revolymmer (AIM: REVO) announces that, on 16 September 2016, it executed agreements committing it to divest its nicotine gum business to the Danish company Alkalon A/S ("Alkalon"), with completion subject only to the satisfaction of certain customary conditions precedent including the transfer of key customer contracts and the Canadian product licence to Alkalon. Alkalon has EU regulatory approval for its products and an established European customer base, which complements Revolymmer's Canadian customer base. The business combination offers the potential to grow the combined business in its existing territories as well as to expand in additional territories, benefiting from economies of scale in manufacturing and marketing. At completion, the consideration to Revolymmer for the divestment of this business will be a 15% equity holding in the combined new business, which may increase to 20% if certain commercial milestones in the acquired Revolymmer nicotine gum business are met in within nine months of completion, namely the award of additional specific contracts in Canada. The consideration is valued at DKK8.2m, equivalent to £0.9m, and Revolymmer currently expects to hold the investment in Alkalon for the medium to long term. At completion, Revolymmer will have the right to appoint a director to the board of the combined business, that will continue under the Alkalon name.

In addition to the Revolymmer customer contracts and Canadian product licence (which constitute goodwill), additional assets to be transferred to Alkalon at completion include stocks of finished goods (i.e. nicotine gum to be sold in Canada), work in progress and raw materials; and certain fixed assets used in the nicotine gum business and no longer required by Revolymmer. The value of these assets, excluding goodwill, was £0.5m as at 31 December 2015 (unaudited). For the year ended 31 December 2015, the segment loss attributable to the assets to be transferred to Alkalon was £1.0m, unaudited.

Kevin Matthews, Chief Executive Officer, said: "This transaction marks further progress in the execution of Revolymmer's strategy, focusing its business on becoming a leader in functional polymers that manage the interface between different surfaces and phases to improve the safety, performance or sustainability of its customers' products. Such functional benefits include the delivery and controlled release of actives, surface modification, and water quality improvement, and the target markets are Homecare & Industrial and Personal Care & Consumer Healthcare. We therefore believe that the transaction will have a positive commercial impact on Revolymmer's business."

Ends

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The information communicated in this announcement is inside information for the purposes of Article 7 of Market Abuse Regulation 596/2014 ("MAR").

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