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REVOLUTIONARY POLYMER SOLUTIONS

Revolymer Preliminary Results

April 2014

Robin Cridland - Acting CEO

Private & Confidential

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Jack Keenan - *Independent Non Executive Chairman*
Formerly CEO & Chairman of Kraft International
CEO of Guinness, United Distillers & Vintners and an executive director of Diageo
NED Body Shop, M&S, General Mills, Tomkins
Senior Advisor to Oaktree Capital Management

Robin Cridland - *Acting CEO, CFO & Company Secretary*
25 years pharma/tech BD, corporate development and finance experience:
GSK merger, Renovo IPO,
Shire licence/investment, Revolymer IPO

Julian Heslop – *Independent NED*
Previously CFO of GlaxoSmithKline
Senior finance roles at ViiV Healthcare (Chairman), Grand Metropolitan and Imperial Brewing and Leisure

Mike Townend - *NED*
18+ years experience in equity capital markets including Lehman Brothers
Representative of IP Group

Robert Frost - *NED*
18+ years private equity experience including Allianz Capital
Representative of Naxos Capital Partners

Bryan Dobson - *Independent NED*
Over 33 years in chemicals industry including ICI and Croda
Most recently President Global Operations for Croda

Management and Staff

Robin Cridland -
Acting CEO, CFO & Company Secretary
25 years pharma/tech BD, corporate development and finance experience: GSK merger, Renovo IPO, Shire licence/investment, Revolymer IPO

Dr. David Pears - *Chief Technical Officer*
25+ years experience: ICI, Zeneca and Avecia developing polymer applications
Previously CTO and founder of Reaxa

People	35 FTEs - 30 in product development focused R&D (incl. QA, QC and regulatory)
Location	Revolymer (U.K.) Ltd is the operating subsidiary based in Deeside, N Wales

Revolymer Business Overview

- Polymer technology company that designs, develops and formulates novel polymers to improve the performance of existing consumer products within large FMCG markets
- Focus on executing commercialisation licences in the high value consumer specialties business area (household products, personal care, coatings & adhesives):
  - Progressing a portfolio of product development programmes ("multiple shots on goal")
  - Reduced: technology & regulatory risk, development costs & timelines, business risk
- Commercialisation, through the white label channel, of products using proprietary polymer technologies e.g. nicotine gum
- Floated on AIM in July 2012 raising £25m providing a significant funded "runway"
- Target profitability in medium term through high quality licence-based revenue streams

"A substantial and diversified growth model with reduced technology & regulatory risk†"

Blue Chip Co-Development Products

Products Developed for sale through white label channels

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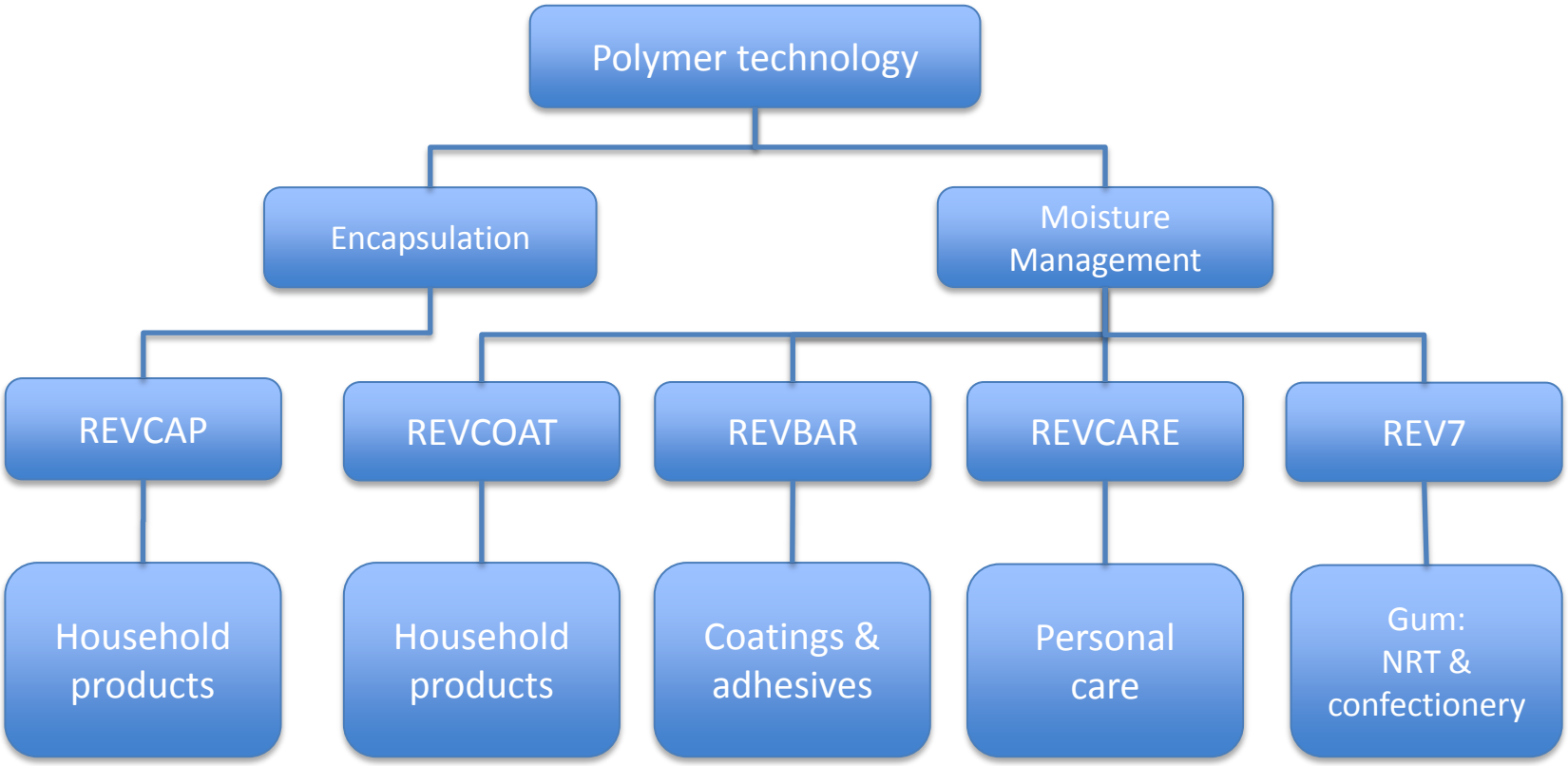
†: compared to other markets that operate licensing models (e.g. the pharmaceutical industry)

Revolymer Technology Overview

- Revolymer's portfolio of development programmes is based on its patented polymer technology
- Revolymer is applying these technologies to develop novel polymers for use in the next generation of polymer-enhanced consumer products across a range of FMCG markets



Licensing Deals

- BUSINESS MODEL: licensing of Revolymer's polymer IP to large players in the FMCG markets (e.g. brand owners and/or manufacturers) who have the resources to manufacture, market and distribute, with the most important licence income component being a royalty on partner sales (or equivalent structure)

- LICENCE PAYMENTS: high quality income (few associated costs, contribute directly to operating profit)

- COMMERCIAL ILLUSTRATION: Partner product sales pa: ~£1bn (i.e. global products). Penetration by Revolymer technology: 10% (conservative estimate). A single digit royalty (precedented for such technology) therefore generates single digit £m pa of royalty income (c.f. Revolymer cost base of single digit £m pa)

- VALUATION: Every £1m of royalty income is worth ~10p on the share price (assumptions: 10 year royalty stream, 10% discount rate, 20% small company CT rate)

- PORTFOLIO: A broad portfolio of partnered development projects / potential licence opportunities, helping to mitigate the challenges inherent in striking commercialisation deals and reducing the dependence of the business on success in a single product programme (i.e. "multiple shots on goal")

Progress in 2013

- Licences - Continued progress made towards Consumer Specialties commercialisation deals. At least one such transaction is targeted to be announced in 2014

- Project Portfolio – Prioritising the high value Consumer Specialties business area, Revolymer is advancing a broad portfolio of partnered product development programmes with leading international FMCG companies:

  - Household Products: proprietary formulations of cleaning actives for stabilisation in liquid or solid formats are the subject of ongoing licensing discussions;
  - Personal Care: work continues with significant players in this market to develop new product formulations incorporating our moisture management technology;
  - Coatings & Adhesives: the Group's moisture management technology is also being deployed in partnered projects developing non-laundry household products and sealants used in the construction industry;

- Substantial funding position - Business well funded with funds available at 31 December 2013 of £17.7m (2012: £21.9m), providing a significant future runway to deliver key commercial projects

Progress in 2013 (cont.)

Nicotine Gum – building a nicotine gum franchise - Significant developments made in the commercialisation, through the private label channel, of our proprietary nicotine gum products

- Significant sales of Revolymer's proprietary nicotine gum in Canada following award of a contract to supply a leading Canadian pharmacy chain
- Nov 2013: Submitted regulatory filings for marketing approval of our nicotine gum in Europe
- Oct, 2013: Distribution agreement signed for nicotine gum in Poland, Hungary, Czech & Slovak Republics
- Progress made towards commercialisation deals in other key European markets
- Plans progressing to secure US distribution deals and apply for marketing authorisation with the FDA

Confectionery Gum – decision taken to refrain from further investment in confectionery gum business- although licencing potential remains

Financials: Group Income Statement

Year ending 31 December	2013	2012
	£000	£000
Revenue	528	176
Cost of sales	(871)	(782)
Gross (loss)/profit	(343)	(606)
Other operating income	194	340
Administrative expenses	(5,328)	(9,858)
Group operating loss	(5,477)	(10,124)
Finance income	193	50
Loss for the year before tax	(5,284)	(10,074)
Taxation expense	-	-
Loss for the year	(5,284)	(10,074)

Financials: Group Balance Sheet Summary

Year ending 31 December	2013	2012
	£000	£000
Non-current assets		
Property, plant and equipment	**364**	545
	364	545
Current assets		
Inventories	**168**	255
Trade and other receivables	**534**	300
Investments	**15,500**	17,000
Cash and cash equivalents	**2,182**	4,899
	18,384	22,454
Total assets	**18,748**	22,999
Total Equity	**16,084**	21,092
Current liabilities		
Trade and other payables	**2,314**	1,805
Non-current liabilities		
Finance lease obligations and other payables	**350**	102
Total liabilities	**2,664**	1,907
Total Equity and liabilities	**18,748**	22,999

Financials: Group Cash Flow

Year ending 31 December	2013	2012
	£000	£000
Net cash outflow from operating activities	**(4,311)**	(4,270)
Cash flows from investing activities		
Interest received	**193**	3
Purchase of property, plant and equipment	**(183)**	(75)
Funds placed on term deposits	**1,500**	(17,000)
Net cash outflow from investing activities	**1,510**	(17,072)
Cash received from issue of shares	**84**	25,000
Transaction costs of issuing shares	**-**	(1,842)
Net cash inflow from financing activities	**84**	23,158
Net inflow in cash and cash equivalents	**(2,717)**	1,816
Cash and cash equivalents at beginning of year	**4,899**	3,083
Cash and cash equivalents at end of year	**2,182**	4,899

Summary

- Defined strategy focused on execution of commercial deals in the Consumer Specialties business area in the near-term
- Reduced dependence of business on a single product success ("multiple shots on goal")
- Products with potential to generate high quality licence-based revenue streams reaching advanced development
- Significant progress made in the commercialisation of proprietary nicotine gum products – potential to create a nicotine gum franchise spanning Europe and North America
- New CEO to be appointed with the commercial and operational experience to continue to execute the Company's strategy

At least one significant transaction targeted to be announced in 2014

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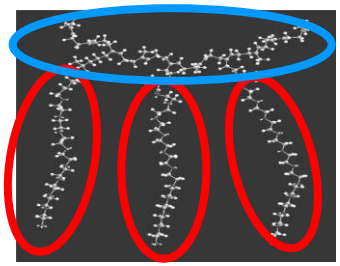
Appendix

Revolymer Technology Overview

Encapsulation / Spheronisation

- "REVCAP" is being applied to encapsulate active ingredients (e.g. bleaching agents and enzymes) in order to stabilise them in both solid and liquid laundry detergents and other non-laundry liquid cleaning products, releasing them in the cleaning cycle for enhanced performance (current liquid formulations do not contain such agents)



Moisture management

- Revolymer has a range of novel copolymers with hydrophilic and hydrophobic components (e.g. Rev7) that can be incorporated into other materials to increase their compatibility with oil-based or water-based environments
- Revolymer is able to tailor these polymers to the specific requirements of a wide range of FMCG markets:
  - Coatings & adhesives – impermeable packaging for perishables ("REVBAR")
  - Household products – non-laundry or ADW cleaning products ("REVCOAT")
  - Personal care – improved skin, face, eye, lip, teeth and hair products ("REVCARE")
  - Chewing gum – NRT gum with improved confectionery-like chew currently on sale generating revenue ("REV7")

Revolymer Capital Structure (14 Mar'14)

Shareholder	Holding	%	Cum. %
Invesco Limited	16,049,00	29.4%	29.4%
IP Group	8,385,580	15.4%	44.8%
SandAire	7,099,387	13.0%	57.8%
Swarraton Partners	4,953,900	9.1%	66.8%
Naxos Capital Partners	3,072,980	5.6%	72.5%
Henderson Global Investors	2,000,000	3.7%	76.1%
Board and Management (excl. Options)	913,490	1.7%	77.8%
Other	12,116,463	22.2%	
Issued Share Capital	54,590,800	100%	

Business Area Global Market Sizes

Global Market Sizes	2010	2015 (Est.)
	$ bn	$ bn
Household Products	169.8	202.5
Personal Care	462.5	557.5
Coatings & Adhesives		
- Flexible barrier packaging	53.1*	71.3**
Nicotine Gum	1.3*	-
Confectionery Gum	18.3	22.8

* 2011
** 2016

Sources: Datamonitor
Euromonitor
Pira Int'l