

Revolymer plc

Overview and 2016 Half Year Results

October 2016

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H1 2016 Highlights

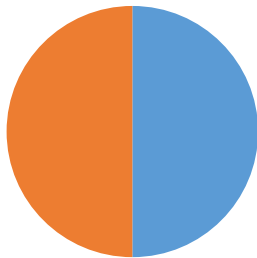
- Deals:
 - Acquisition of Itaconix Corporation based in New Hampshire, USA
 - First sale of Itaconix® CHT™ into auto-dishwash
 - Disposal* of nicotine gum business to Alkalon A/S based in Copenhagen, Denmark, for consideration of 15% holding in combined business
- Strategy:
 - Focused business as a pure specialty chemicals play
 - Enhanced board and management team
- Revenue:
 - H1 2016 revenue of £0.6m (H1 2015: £0.6m) - principally nicotine gum
- Cash
 - £6.1m of current cash and cash equivalents at 30 June 2016
 - £5.5m (net of expenses) raised through equity placing in July

* Subject to conditions precedent

Strategic Repositioning

Rebased revenue – disposal of low margin nicotine gum
Replaced with high margin specialty products

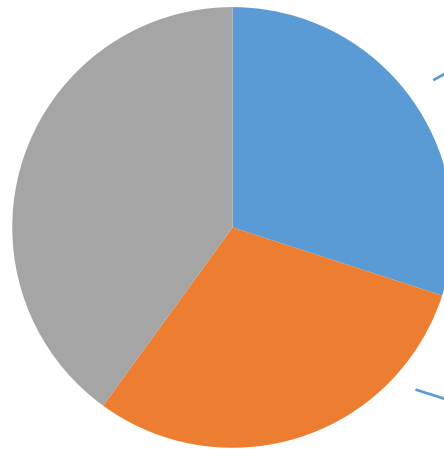
Jan-16



Acquisition of
Itaconix

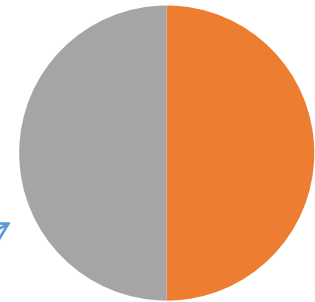
■ Nicotine Gum
■ Revo Spec
■ Itaconix

July-16

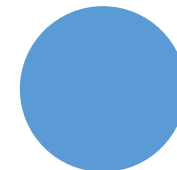


Focused specialty
polymer business

Sept-16



Sept-16



Conditional Disposal of
Nicotine Gum to Alkalon A/S

Revolymer Transformed

Yvon Durant (ITX CTO) – World Expert in Polyitaconates



Kevin Matthews (CEO) – Experienced Chemical Industry Executive



Robin Cridland (CFO) – Experienced In Finance and M&A



David Pears (CTO) – Expert in Polymer Science



Louise Craswell (CCO) – Experienced Commercial Executive, Strong Background in Haircare

2016
Expanded footprint
Strengthened management team
Increased commercial traction
Sharpened strategic focus



John Shaw – Experienced Industry Executive

Revolymer US
New Hampshire



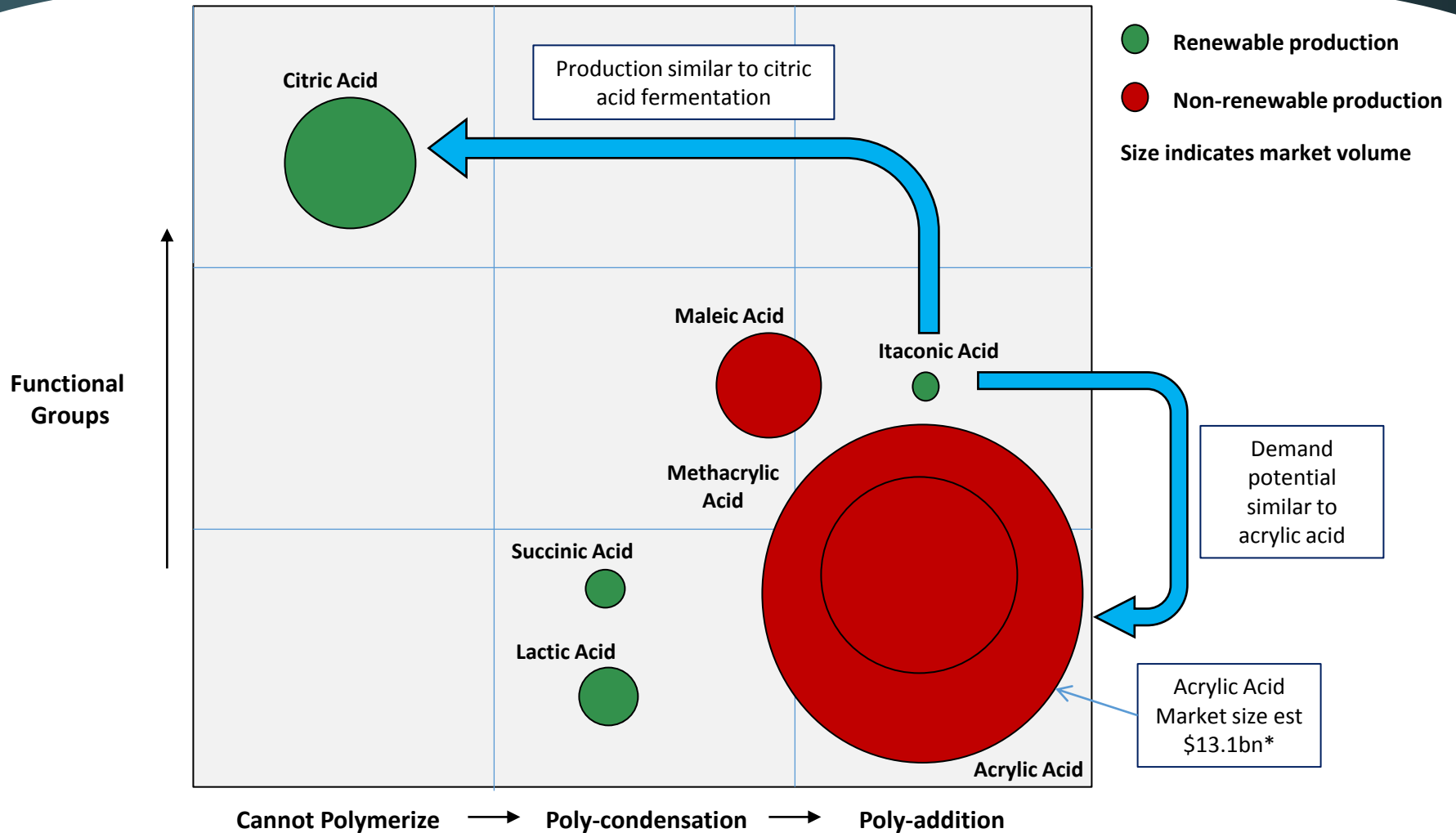
Revolymer UK
Chester



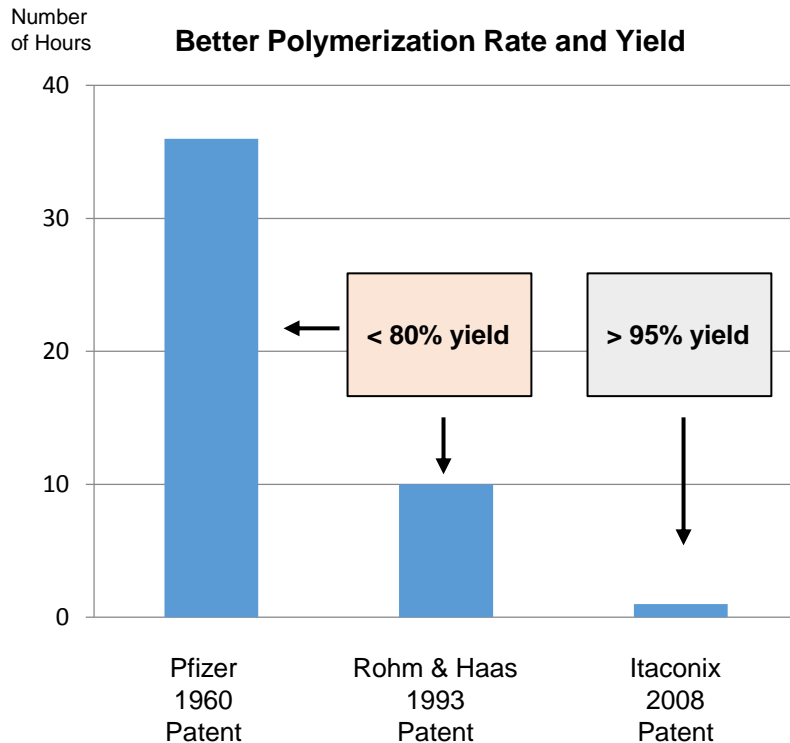
Disposal of Nicotine Gum Business to Alkalon

Why acquire Itaconix?

Large market opportunity



Breakthrough Economics with patented technology



Low Capital Equipment Needs

- High yield with no downstream purification
- High production rates from fast chemical reactions
- Non-combustible materials
- Minimal environmental controls necessary
- Small equipment footprint

Low Operating Costs

- Very low energy and labour input
- Zero waste or by-products



Commercial Traction to date in Home Care

Number of
Products Using
Itaconix
Polymers



Revolymer makes a difference

Leader in **functional polymers** that **manage the interface** between different surfaces and phases to improve the **safety**, **performance** or **sustainability** of our customers products



Replacing toxic chelants

Improving adhesion of next gen sealants



Naturally derived styling polymer to replace petrochem polymers



Deeper Product and Solution Offering

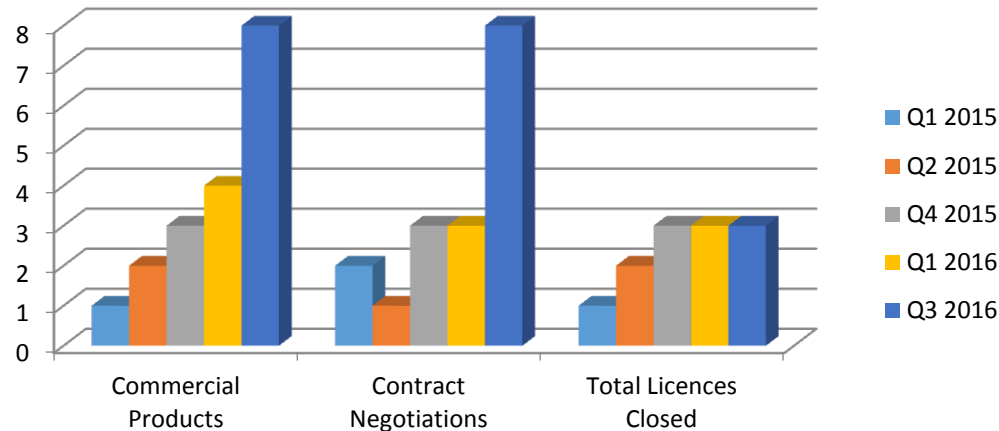
Polymers designed and engineered to provide functional products

Function	Product (Launch date)	Attributes	Applications
Chelants	Itaconix [®] DSP [™] Itaconix [®] CHT [™] (2015)	Low-cost, environmentally friendly, hard water conditioner to replace phosphates, NTA & EDTA	Consumer & industrial detergents, industrial and agricultural water conditioning
Hair Fixative Polymer	RevCare NE [™] (2016)	Novel, bio-based, hair fixative polymer for long-lasting hold and natural feel	Hair styling products
Adhesion Promotor	RevCoat Bond [™] (due Q4 2016)	Improved adhesion of hybrid sealants to surfaces specifically PVC	Sealents for automotive and construction glazing
Odour Management	Itaconix [®] ZINADOR [™] (2015)	Easy to use, low-cost, odour neutralizer	Fabric care, personal care, industrial odour control
Anti-scaling	Itaconix [®] TSI [™] (2015)	Environmentally-friendly anti-scaling	Detergents & cleaners, water treatment, geotechnical
Mineral Dispersant	Itaconix [®] XDP [™] (2015)	Low cost novel mineral dispersion	Paints & coatings, detergents, skin care, geotechnical, agriculture
Encapsulation Polymer	RevCap FE [™] (due Q1 2017)	Forms stable coating with triggered release	Bleach systems for consumer and industrial detergents and cleaners
Most products launched in the last 18 months			Personal Care
			Home Care & Industrial

Encapsulation - Enabling our Partners through licenses

Solid Encapsulation			
Function	Product (Launch date)	Attributes	Applications
Bleach	PAP Solvay (2016)	Encapsulation of effective low-temperature, environmentally friendly, specialty bleach additive	Consumer & industrial detergents,
Bleach	SPC OCI (2017) Solvay (2018?)	Encapsulation of conventional bleach system, SPC, to improve stability in powder and liquid formulations	Consumer & industrial detergents,
Liquid Encapsulation			
Fragrance	In Development (2017)	Improved stability and delivery of fragrance systems	Personal care, detergents, homecare
			Personal Care
			Home Care & Industrial

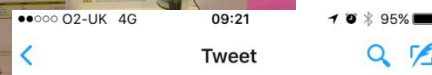
Pipeline Development - Sept 2016



Rebased revenue – removal of low margin nicotine gum
Replaced with high margin specialty products
Improved business model – product vs licence

Currently focused on building distributor network and accelerating customer engagement post Itaconix integration

Increasing Revolymer Profile



in-cosmetics
@incosmetics

Innovation at its finest. Revolymer is currently giving an in depth, technical presentation on its RevCare product.



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1 RETWEET 2 LIKES



Reply to in-cosmetics



cosmetics
business

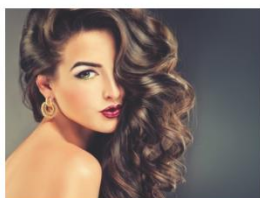
Home Brands Regions Events Jobs and People Magazines
Finance Retail Ingredients Manufacturing Packaging Regulatory

Ingredients for thick, shiny hair and a
flake-free scalp

By John Woodruff 25-Aug-2016

HAIR: INGREDIENTS: SDC

A look at the latest active and functional materials to ensure optimum hair health



Care of the hair involves one or more of the following processes: cleaning, conditioning, styling and colouring. Underlying these is a need to care for the health of the scalp and possibly

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Benchmarking Performance & Cost

Example Haircare

Properties	Rev Care NE 100S	PVP/VA	Amphomer	Styleze	Advantage Plus
Single curl retention	✓	✗	✓	✓	✗
Comb low resistance	✓✓	✓✓	✓	✗	✗
Curl Softness	✓✓	✓	✓✓	✗	✓
Single Curl Flexibility	✓	✓	✓✓	✗	✓
Anti-Frizz	✓✓	✗	✓	✓✓	✗
Curl bounce	✓✓	✗	✗	✓✓	✓
Natural feeling	✓	✓	✗	✗	✗
Water soluble	✓	✓	✗	✓	✗
Cost in use	✓	✓✓	✓	✗	✗

Customer Engagement Expected Future Deals



What to expect?

Product	Milestones in next 12 months	Market Size (\$m)
Itaconix [®] DSP [™] , CHT [™] , TSI, XDP	Revenue growth in 2017 Adoption in ADW by major private label house or equivalent	✓✓✓
RevCare NE [™]	Appointment of distributors First sales and revenue growth in 2017	✓✓
RevCoat Bond [™]	Appointment of distributors Sign-up lead customer and revenue growth in 2017	✓
Itaconix [®] ZINADOR [™]	Sign commercial partner Revenue growth in homecare and industrial	✓✓
Licences (Royalty)	First revenues from Solvay PAP licence Secure two new licences	✓
RevCap FE [™]	Sign two lead customers Revenue growth	✓

2017 - Replace nicotine gum revenue (GM<10%) with high quality revenue (GM > 40%)
Grow revenue

2018 - Market engagement in 2016/2017 expected to hit for sales cycles of 18-24 months
Rapid revenue growth

Assuming gross cost base of £6m - requires revenue of £15m to reach breakeven at 40% GM

H1 2016 Results Summary

H1 2016 Financial Summary

- £6.1m of cash and cash equivalents at the period end (2015: £12.0m) - however £5.5m (net of expenses) raised in July through an equity placing with new and existing institutional investors
- Cash utilised by the business of £4.4m (2015: £1.2m) - includes £2.0m paid upfront for Itaconix and no tax credits received (2015: £0.8m tax credits received)
- Revenue of £0.6m (2015: £0.6m) - principally nicotine gum
- Admin expenses (including R&D expenditure) of £2.1m (2015: £1.7m), includes certain non cash charges:
 - non-cash charge in respect of equity settled share based payments of £59k (2015: a non-cash credit of £370k)
 - Non-cash foreign exchange gain of £461k re Itaconix acquisition (2015: nil)
- Before non-cash charges admin expenses were £2.5m (2015: £2.1m)
- Loss before tax of £2.0m (2015: £1.6m)
- Loss after tax of £1.8m (2015: £0.3m) after tax credits accrued of £0.2m (2015: £1.3m -3 years of claims)
- Non-currents assets now include provisional goodwill of £9.6m (2015: nil) relating to the Itaconix acquisition

Condensed Consolidated Income Statement

	<i>Unaudited 6 Months to 30 June 2016 £000</i>	<i>Unaudited 6 Months to 30 June 2015 £000</i>	<i>Audited Year to 31 December 2015 £000</i>
Revenue	578	594	1,249
Cost of sales	(518)	(582)	(1,162)
Gross profit	60	12	87
Other operating income	11	16	26
Administrative expenses	(2,106)	(1,722)	(3,786)
Operating loss	(2,035)	(1,694)	(3,673)
Finance income	35	48	88
Loss for the period before tax	(2,000)	(1,646)	(3,585)
Taxation	232	1,343	1,793
Loss for the period	(1,768)	(303)	(1,792)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translated foreign operations	(1)	-	-
Total comprehensive income for the period	<u>(1,769)</u>	<u>(303)</u>	<u>(1,792)</u>
Basic and Diluted loss per share	<u>3.1p</u>	<u>0.5p</u>	<u>3.2p</u>

Summary and Outlook

- Repositioned business from low margin nicotine gum revenue to high margin specialty polymers revenue
- Enhancement of board, management team and overall organisation
- Funded to the end of 2018
- Continue to execute commercial deals
- Focus on getting products to market to deliver revenue, and progress to profitability in the medium term
- Receptive to further growth through corporate transactions, underpinned by organic growth

Appendices

Board of Directors



Bryan Dobson - *Independent Non-Executive Chairman*

Chairman of Applied Graphene Materials Plc
NED of The Newcastle upon Tyne Hospitals NHS Foundation Trust
30+ years in chemicals industry including ICI and Croda



Robin Cridland - *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



Robert Frost - *NED*

20+ years private equity experience including Allianz Capital
Representative of Naxos Capital Partners



Kevin Matthews - *CEO*

20+ years senior management, BD and corporate development experience
Formerly CEO of Isogenica and Oxonica plc
NED of Low & Bonar plc
Formerly NED of Elementis plc



Jack Keenan - *Independent NED*

Formerly
CEO & Chairman of Kraft Foods International,
CEO of the business that is now Diageo, and
Executive Director of Diageo & Moët Hennessy
NEDs have included Body Shop, M&S,
General Mills, Stock Spirits and Tomkins



Jim Barber - *NED*

Previously CEO of Metabolix Inc.
Senior commercial roles within Albermarle group and other chemicals businesses
Representative of Itaconix Shareholders



Mike Townend - *NED*

20+ years experience in equity capital markets including Lehman Brothers
Representative of IP Group