



ZOTEFOAMS

Zotefoams plc

("Zotefoams" or "the Group")

Trading Update

3 October 2019 – Zotefoams, a world leader in cellular materials technology, today provides an update on trading.

At the time of our interim results in August we stated that we were mindful of a difficult current trading environment in the European polyolefin foams markets and the less stable political and macroeconomic environment. Since that time the market for polyolefin foams in continental Europe has deteriorated significantly while growth in the North American market has slowed and is now expected to be below our previous estimates.

We anticipate polyolefin foam sales are therefore likely to be around £6 million below current market estimates, resulting in Group sales for the second half of 2019 approximately £2m below the first half of the year. Anticipated profit for this period is impacted by our limited ability to change the operational gearing in the business in this timeframe.

Our High-Performance Products ("HPP") business unit is performing as expected with strong growth in T-FIT[®] insulation products and ZOTEK[®] technical foams mainly in aviation and footwear.

Notwithstanding the near-term headwinds in the polyolefin foams business, the Board remains confident in the growth strategy and capacity enhancement investments the Company is making and in the long-term prospects of the business.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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About Zotefoams plc

Zotefoams plc (LSE – ZTF) is a world leader in cellular materials technology. Utilising a variety of unique manufacturing processes, including environmentally friendly nitrogen expansion for lightweight AZOTE® polyolefin and ZOTEK® high-performance foams, Zotefoams sells to diverse markets worldwide. Zotefoams uses its own cellular materials to manufacture T-FIT® advanced insulation for demanding industrial markets. In addition, Zotefoams owns and licenses patented MuCell® microcellular foam technology, developed specifically for extrusion applications, from a base in Massachusetts, USA to customers worldwide.

Zotefoams is headquartered in Croydon, UK, with additional manufacturing sites in Kentucky and Oklahoma, USA (foam products manufacture and conversion), Massachusetts, USA (MuCell Extrusion) and Jiangsu Province, China (T-FIT®). A third foam-manufacturing site, in Poland, is planned to begin operations in 2020.

www.zotefoams.com

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