

27<sup>th</sup> March 2018



Companies Announcement Office  
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## **CFOAM SIGNIFICANTLY BOOSTS SALES PIPELINE BUILD OUT**

Triadelphia, WV, USA: CFOAM Ltd ("**the Company**"), via its wholly owned subsidiary CFOAM, LLC, is pleased to report a significant improvement in the build out of its sales pipeline. For three days in the month of March, the Company exhibited at JEC World 2018, the world's largest composite materials trade show in Paris, France. During this event, the Company formed nearly 200 new industry contacts, and these introductions have already led to many active discussions and product evaluations in a large number of diverse applications.

As a result, the Company's sales pipeline activity has increased significantly since the last update on 31<sup>st</sup> January 2018, as follows:

- **Category 1 – commercial customers: 17 customers (+5)** in applications that include: composite tooling/aerospace, aerospace structures, defence, lightning/heat dissipation, audio, composite tooling/boats and electronics. New customers are in the space and composite tooling industries and are projected to ramp up over the next few months.
- **Category 2 – customers close to qualification: 18 customers (+2)** in applications that include: composite tooling, batteries, fire-resistant parts, space/rocket nozzles, defence, heat dissipation, transportation and electric conductivity. A number of companies are reaching the final phases of testing and qualification in applications such as rail transportation and fireproof construction materials. Key additions to this category include a large composite tooling company and a performance car company.
- **Category 3 – customers performing tests evaluation: 29 customers (+10)** in applications that include: composite tooling, cookware, transportation, space, defence, construction, chemicals and water filtration. An increasing share of these new companies is in the automotive industry (e.g. heat management, impact resistance).

In addition, there are presently 75 other current active discussions underway among these 200 industry contacts, and these will lead to more active testing and qualification evaluations for CFOAM® products in the near future.

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Generally, the testing-to-commercialization phase in new applications from the sales pipeline takes an average of six to eighteen months (this is generally faster in industrial applications vs. consumer applications). Therefore, the sales pipeline outlook constitutes a well-calibrated, and material additional customer base to be onboarded in conjunction with the Company's Phase 2 start-up, for which planning work is underway, and is expected to lead to an initial nameplate capacity of approximately 70,000 cft/year in the 2019 calendar year.

In the meantime, the Company is also having active discussions with a number of strategic tooling customers - that is, companies that potentially have a very large CFOAM® product demand in the aerospace composite tooling industry. These companies are already well versed with CFOAM® products, having used the products in the past, and can therefore re-qualify the products quite rapidly should they be guaranteed of a continuity of supply. A growing number of these potential strategic customers are currently qualifying CFOAM® products over the next few months with the objective that this core demand will enable a rapid ramp-up of the Company's Phase 1 capacity expansion - targeted to start-up in August this year, providing the Company a materially higher 25,000 cft/year nameplate capacity.

*Executive Director and CEO, Alain Bouruet-Aubertot commented: "We are very pleased with the recent significant increase in business development activity. I have frequently stated that the Company is not opportunity limited but is, rather, currently capacity constrained. The outcome of exhibiting at the JEC trade show is further validation that by quickly identifying the benefits of CFOAM® products to their specific applications (i.e. light weight, mechanical strength, fire resistance, etc.) customers can quickly understand and readily assess what the value proposition for CFOAM® products in their application represents, thus generating a significant market pull. As a result, our short and medium-term priorities are to continue to strengthen our production platform and successfully implement our planned capacity expansion, beginning with our Phase 1 program that is on target for a start-up in August this year."*

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## **About CFOAM Limited**

CFOAM® is an inorganic carbon material that is manufactured from coal, pitch or lignin feedstock. CFOAM® manufactured in this process has a rigid foam structure, similar in appearance to pumice stone, but with entirely different properties. CFOAM® is currently used across a wide variety of markets including composite tooling for the aerospace sector, energy absorbing applications and defence applications. Additional markets such as the automotive applications for energy absorption and fire resistance are also expected become significant to the Company over time.

CFOAM® was developed to meet the growing demand for ultra-high-end performance engineering materials in the, industrial, aerospace, military and commercial product markets.

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