

## **Hybrid Enters into the Synthetic Leather Segment of the Polyurethane Industry**

San Francisco CA, April 1, 2014 -- (MARKET WIRE) – Hybrid Coating Technologies Inc. (HCTI: OTCBB) is pleased to announce that it is entering the \$20B plus synthetic polyurethane leather industry. Hybrid is close to filing a patent on a variation of its nonisocyanate polyurethane platform technology for synthetic leather. Polyurethane is a primary raw material used in the manufacture of synthetic leather. According to recent market reports, demand for polyurethane dispersions like those used in synthetic leather is growing. The demand for polyurethane dispersions in 2012 was 267.1 kilo tons and is forecast to reach 369.3 kilo tons by the end of 2018, growing at a CAGR of 5.5% between 2012 and 2018. (Research and Markets Report). “The synthetic leather industry is looking for non toxic alternatives,” said Joseph Kristul, President and CEO of Hybrid. “Our nonisocyanate, VOC-free polyurethane platform technology should prove quite attractive to the synthetic leather industry.” Hybrid is in discussions with a large influential company in the synthetic leather industry for a potential joint development and distribution deal.

Hybrid’s patented technology is the only formulation in the world today that produces polyurethane without using any isocyanates throughout the entire production process and without compromising product quality and durability.

### **CAUTIONARY DISCLOSURE ABOUT FORWARD-LOOKING STATEMENTS**

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements in this news release other than statements of historical fact are "forward-looking statements" that are based on current expectations and assumptions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the statements, including, but not limited to, the following: the ability of Hybrid Coating Technologies Inc. to provide for its obligations, to provide working capital needs from operating revenues, to obtain additional financing needed for any future acquisitions, to meet competitive challenges and technological changes, and other risks. Hybrid Coating Technologies Inc undertakes no duty to update any forward-looking statement(s) and/or to confirm the statement(s) to actual results or changes in Hybrid Coating Technologies Inc. expectations.

### **About Hybrid Coating Technologies**

Hybrid Coating Technologies (HCT) is a San Francisco-based innovator focused on improving the quality and safety of coatings and paint for industrial and commercial customers around the world. We are the exclusive licensee of Green Polyurethane™ coatings and paint – the world’s first-ever patent protected polyurethane-based coatings and paint products that eliminate toxic isocyanates from the entire production process (licensed by Nanotech Industries, Inc.).

### **The Problem of Conventional Coatings/Paint and Isocyanates**

Conventional polyurethane (PU) paint and coatings have many disadvantages: they are porous, permeable and maintain poor hydrolytic stability. This makes the material highly vulnerable to environmental degradation and ultimately leads to their chemical decomposition, especially when in contact with water, strict and costly health & safety measures have to be implemented in the manufacture and application of

conventional polyurethane due to the toxicity of isocyanates. This is why regulatory bodies around the world are now looking toward phasing out the use of isocyanates.

### **The Green Polyurethane™ Solution**

Green Polyurethane™ (also referred to as “HNIPU” - hybrid non-isocyanate polyurethane) is a “hybrid” material that combines the high chemical resistance properties of epoxy and advanced durability and wear resistance properties of polyurethane, making it the perfect application for sanitary, high traffic and corrosive surface areas. As a hybrid material with superior properties, Green Polyurethane™ can be applied in one or two coatings, providing a welcome cost-saving substitute to currently used multi-layered flooring applications. Green Polyurethane™ also provides the first sound solution to the environmental and health hazards associated with isocyanates in polyurethane. Its safety features allow it to be applied without the interruption of business due to public exposure, creating an additional 30-60% savings on application costs for customers.

### **Recent Anti-Isocyanate Regulatory Pressure**

EPA MDI Action Plan: The US EPA (Environmental Protection Agency) is taking progressive action to regulate and potentially ban isocyanates and has mentioned Hybrid’s technology as an alternative to toxic polyurethane in its MDI Action Plan against isocyanates (see page 4 Figovsky and Shapovalov)  
<http://www.epa.gov/oppt/existingchemicals/pubs/actionplans/mdi.pdf>

OSHA National Emphasis Program: On June 25, 2013 the Occupational Safety and Health Administration (OSHA), a division of the US Department of Labor, initiated a National Emphasis Program to protect workers from the serious health effects from occupational exposure to isocyanates. Isocyanates are found in polyurethane based products. According to OSHA, "Workers exposed to isocyanates can suffer debilitating health problems for months or even years after exposure which could result in death."

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