

Haydale Graphene Industries plc

(“Haydale”, the “Group” or the “Company”)

Acquisition of Rights to New Invention and Grant of Warrants

Haydale Graphene Industries plc (AIM: HAYD), the Group focused on enabling technology for the commercialisation of graphene and other nano materials, is pleased to announce it is exercising its rights under its existing pipeline agreement with Swansea University and Swansea Innovation Limited (together “Swansea”) (the “Pipeline Agreement”) to acquire a new invention (the “new invention”).

The new invention relates to heatable articles, in particular clothing and bedding, incorporating carbon nanomaterial-based heaters. The flexibility, compact construction and thermal performance of the heaters means that the technology is envisaged as being of particular relevance to high performance garments for elite sports applications.

Pursuant to the terms of the Pipeline Agreement announced 25 February 2015 and by way of consideration for the acquisition of the new invention, the Company has agreed to grant the inventors, Tim Claypole and Swansea Innovation Limited, warrants over 30,000 ordinary share of 2 pence each in aggregate in the Company (the “Warrants”). Additionally, royalty income of 2% will be paid to Swansea Innovation Limited from any direct sales made by Haydale of the product or if the product is licensed, the revenue share will be Haydale 90% and Swansea Innovation Limited 10%.

All intellectual property rights in connection with the new invention have been assigned to the Group and the Group has filed a patent application to protect these rights.

The Warrants are exercisable between the fourth and fifth anniversary of the date of grant. The exercise price of the Warrants is £2.735 per ordinary share (being the mid-market closing Haydale share price on 23 November 2015 plus £1). The warrants may be exercised in whole or in part.

Ray Gibbs, CEO at Haydale, commented:

“I am pleased to announce this second invention acquired from Swansea under the Pipeline Agreement. As previously stated, our strategy is to work with experts in our chosen market sectors to rapidly develop commercial products using our HDPlas™ functionalisation process. This announcement demonstrates that this strategy is working and we are optimistic that the new invention will further enhance Haydale’s commercial opportunities in the application of graphene and carbon nano-materials.”

Dr Gerry Ronan, Head of IP Commercialisation for Swansea University stated:

“We are delighted with how successful the Pipeline Agreement with Haydale Graphene Industries plc has become in such a short space of time. By incentivising all parties involved in research conducted at Swansea University we are now seeing the development of potentially commercially viable technologies from graphene. This partnership has been cemented with another patent application for a technology that we believe has huge commercial potential with multiple applications across many industries.”

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About Haydale

Haydale has developed a patented scalable plasma process to functionalise graphene and other nanomaterials. This enabling technology can provide Haydale with a rapid and highly cost-efficient method of supplying tailored solutions to enhance applications for both raw material suppliers and product manufacturers.

Functionalisation is carried out through a low-pressure plasma process that treats both mined, organic fine powder and other synthetically produced nanomaterial powders, producing high-quality few layered graphenes and graphene nanoplatelets. The process can functionalise with a range of chemical groups, with the level of functionalisation tailored to the customer's needs. Good dispersion improves the properties and performance of the host material and ensures the final product performs as specified.

The Haydale plasma process does not use wet chemistry, nor does it damage the material being processed; rather, it can clean up any impurities inherent in the raw material. The technology is a low energy user and most importantly environmentally friendly. The Haydale process is an enabling technology, allowing the Company to work with a raw material producer who seeks to add value to the base product and tailor the outputs to meet the target applications of the end user.

Haydale, based in South Wales and housed in a purpose-built facility for processing and handling nanomaterials, is facilitating the application of graphenes and other nanomaterials in fields such as inks, sensors, energy storage, photovoltaics, composites, paints and coatings.

www.haydale.com