

**For immediate release**

**13 March 2025**

**Haydale Graphene Industries plc**

('Haydale', the 'Company', or the 'Group')

**Interim Results**

Haydale (AIM: HAYD), the advanced materials group, announces its unaudited interim results for the six months ended 31 December 2024 (the 'Period' or 'H1 FY25').

**Post-Reporting Period Highlights**

Following the conclusion of the Business Review, announced in December 2024, and the securing of an additional £3.1m (gross) of funding in November 2024, the new Board and management team have taken decisive steps to refocus the Group and reduce cash burn aligned to the revised strategy. Specifically:

- Ø Divestment of the Group's loss-making operations in South Korea;
- Ø Discontinuation of the Group's loss-making operations in Thailand;
- Ø Exiting from the Group's loss-making operations in the US in a way most likely to realise value back to the Group;
- Ø Consolidation of the Group's activities onto a single site in Ammanford and closure of its Loughborough premises;
- Ø Actions to deliver over 55% reductions in both headcount and overheads on a full year equivalent basis compared with FY24;
- Ø Reorganising the business to focus primarily on its heating system products as the opportunity closest to commercialisation. Initial trials have been successfully completed, and internal testing has shown the Group's system to be a highly efficient and cost-effective solution;
- Ø The Group's heating system has been accepted for testing by Centrica and certification for each of UKCA (UK), CE (Europe) and UL (North America) are also underway. The Group has secured the first commercial orders and has a growing pipeline of demand; and
- Ø New commercial contracts have been secured with a leading funder of new heating systems to vulnerable households, Affordable Warmth Solutions, to develop a further graphene heater ink product, and with the national gas grid, National Gas Transmission, for the use of the Group's technology in upgrading the gas network.

**Financial Highlights for the six months ended 31 December 2024:**

- Ø Revenues decreased by 50% to £1.25 million (H1 FY24 £2.47 million) reflecting persistent US under performance;
- Ø Gross profit margin increased to 57.8% (H1 FY24 57%) reflecting changes in the product mix;
- Ø Adjusted administrative expenses decreased by 8% to £3.00 million (H1 FY24: £3.26 million) stemming from pre-Review cost reductions;
- Ø Adjusted operating loss increased by 32% to £2.13 million (H1 FY24 £1.61 million) reflecting reduced turnover; and
- Ø Cash at Period end of £1.99 million (31 December 2023: £3.30 million).

These results underscore the rationale for the change in business strategy and the decisive actions taken to focus the business on near-term revenue opportunities, aggressively reduce costs and stem cash outflows in FY25, and in particular the divestment of the heavily loss making North-American business, all of which will contribute to the Group's goal of achieving improved profitability and cash flow in FY25, in order to protect the Group's core UK nanomaterials business. The monthly run-rate operating expenses for the remaining UK business is approximately £0.275m.

**Commenting on the interim results, Simon Turek, Chief Executive Officer of Haydale, said:**

*"The interim results reflect the period before implementation of the new business strategy, highlighting the challenging financial position inherited by the new management team on January 1, 2025. With declining revenue and an unsustainable cost*

structure, immediate and decisive action was required.

Since then, we have restructured the business, divested non-core operations, and significantly reduced costs, aligning overheads with revenue. Our heater ink-based technology is now the focus, having delivered successful real-world trials of our heating system and secured the first commercial orders.

The strategic transformation is well underway, and while challenges remain, these actions provide a clear path to profitability. We remain committed to delivering value and look forward to further progress."

**For further information:**

**Haydale Graphene Industries  
plc**

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**Notes to Editors**

Haydale is a UK based advanced materials group focused on commercialising its proprietary heating ink-based technology and integrating graphene and other nanomaterials into next-generation industrial applications. With expertise in nanomaterials, Haydale enhances the electrical, thermal and mechanical properties of materials, delivering innovative solutions across multiple industries. For more information please visit: [www.haydale.com](http://www.haydale.com) or X: @haydalegraphene

*Caution regarding forward looking statements*

*Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.*

*A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.*

**Chief Executive's Report**

*Overview*

Following the fundraise in November 2024 and changes in Board-level management, the Board undertook a comprehensive review of all aspects of the business. The aim was to reprioritise areas with near-term profit potential and positive cash generation, whilst continuing to pursue commercially viable long-term strategic opportunities (the "Review").

The findings of the Review announced December 23, 2024, identified significant challenges, including an excessive cost base for the level of revenue, dispersed focus across too many initiatives, and over-optimistic assumptions regarding the US business. Having played a key role in leading that review, upon my appointment to the position of CEO I was tasked with

implementing an accelerated turnaround plan, an aggressive reduction in costs, and a fundamental reshaping of the business.

These interim results reflect the period prior to the new strategy's implementation and underscore the challenging financial position the business faced at the time of the leadership transition. In particular, the US Advanced Cutting Tool division struggled to convert its pipeline into sales, coupled with muted powder sales resulting in a significant shortfall compared to budget and prior-year performance. As a result, Group revenues declined by nearly 50% to £1.25 million (H1 FY24: £2.47 million), with a consequential increase in adjusted operating loss to £2.13 million (H1 FY24: £1.61 million).

#### *Strategic plan implementation*

The Review has led the Group to adopt a highly focused approach aimed at making the business self-funding as soon as practicable, with any future capital raises being directed towards supporting growth rather than covering ongoing losses.

Since completing the Review, our strategic priorities have been:

- Divestment of non-core, loss-making overseas operations;
- UK operational streamlining;
- Aggressive cost reductions; and
- Focused commercialisation of core, closest to market technology.

#### *Ø Divestment of non-core operations*

*Asia:* The South Korea operation was sold in December 2024, and Thailand was discontinued in January 2025, reducing cash outflows and minimising closure costs.

*US:* While the pipeline remains strong, conversion timelines have been far longer than expected, and the Group lacked the financial resources to sustain the working capital required to reach profitability.

- On February 7, 2025, the US business was put up for sale.
- Given its strategic positioning as one of only two US manufacturers of Silicon Carbide Whisker for high-grade cutting tools, multiple well-capitalised buyers have expressed interest.
- To maximise value, the Board has opted for a structured asset sale under Chapter 11, Subchapter V of the U.S. Bankruptcy Code, protecting the business from creditors and minimising any further cash-based support.
- The auction process, initiated in February 2025, is expected to conclude in April 2025.
- The US entity has adequate funding to maintain operations during the sale process.

#### *Ø UK Operational Streamlining*

The UK cost base has been significantly reduced, with a sharper focus on high-value scalable opportunities. The key actions include:

- **Prioritising heating technology:** The Review identified Haydale's patented graphene-based heating system as a world-leading product, close to commercialisation, with a large addressable market and low barriers to entry (see below).
- It has become apparent that the incubation projects are taking longer to convert than first anticipated and, with the focus on delivering our heating system, we have limited surplus internal capacity in the short term to deliver this work. Peripheral activities have therefore been discontinued or deprioritised to align with this focus unless there is a contractual commitment and financial incentive to continue.
- Consolidation of UK operations at the Ammanford headquarters, with the Loughborough facility closing by the end of March 2025.
- Supply and distribution chain optimisation through renegotiation of underperforming contracts.

#### *Ø Targeted Cost Reductions*

The actions noted above together with additional targeted cost saving measures taken at Ammanford, balanced with the need to deliver on the new strategic objectives, are expected to deliver the following benefits on a full year equivalent basis as compared with FY24:

- 55% reduction in headcount across the Group (UK: 33%), significantly lowering personnel costs; and
- 60% reduction in ongoing overheads across the Group (UK: 46%).

These actions will drive improved efficiency and cost discipline, with full benefits expected from the end of FY25 onwards.

#### *Ø Commercialisation of core technology: Heating system*

Our heating system, being branded "Just Heat", is based on our proprietary, energy efficient, graphene heater ink, and designed for fast, even heating with simple installation. Our solution is designed to warm homes more efficiently, cost-

effectively, and sustainably, aligning with the move towards a greener, Net Zero building stock.

The product uses ultra-thin, flexible heating mats that sit underneath the floor covering, warming up quickly and evenly. Powered by low-voltage electricity and enhanced with graphene technology, it heats faster and uses less energy than traditional systems. The system is easy to install and compatible with renewable energy like solar power.

Initial trials with a social housing provider have been successfully completed, and internal testing has shown our system to be significantly cheaper to operate than standard gas and electric heating systems, as well as air source heat pumps. This makes it a highly efficient and cost-effective solution, particularly when combined with off-peak electricity and home battery storage.

The product has been accepted for testing by Centrica and certification for each of UKCA (UK). CE (Europe) and UL (North America) are also underway. The Group is expecting to shortly begin installation of its solution in demonstration sites across the UK, including social housing and commercial offices.

The Group has in-house capacity to produce the proprietary heater ink using HDPlas® plasma reactors, with a supply chain ready for commercial roll-out. The Group has secured the first commercial orders and has a growing pipeline of demand.

To support commercialisation of our heating system, the team has been reorganised to focus on delivery and sales of heating products, while still servicing existing revenue-generating contracts with Petronas and Cadent.

New commercial contracts have been secured with a leading funder of new heating systems to vulnerable households, Affordable Warmth Solutions, to develop a further graphene heater ink product, and with the national gas grid, National Gas Transmission, for the use of the Group's technology in upgrading the gas network.

### *Business Investment*

The HT1400 reactor is expected to meet medium-term demand for functionalised graphene in heater ink production and no major capital investment is expected to meet medium-term forecasts. In the longer term, expansion of non-reactor related ink production capability may be required to meet demand.

### *Unaudited Financial Results*

These results consolidate the whole group prior to divestments and disposals effected close to or subsequent to the period end. The Group's recognised commercial income in the Period was £1.25 million (H1 FY24 £2.47 million).

Adjusted Administrative Expenses decreased to £3.00 million (H1 FY24 £3.26 million), as a result of progressive cost savings put in place during the period.

The Group's adjusted Operating Loss was £2.13 million (H1 FY24 £1.61 million) and the Loss before taxation was £3.02 million (H1 FY24 £2.53 million) reflective of the revenue reduction. There was no Capital expenditure in H1 FY25 (H1 FY24: £0.03 million).

The Group's net assets at 31 December 2024 were £5.15 million (30 June 2024: £5.68 million) which includes the US assets pending their disposal. Of particular note, inventories have increased by 34.7% since the year end reflecting the silicon carbide manufacturing campaign undertaken in the period. The Group's borrowings increased by £0.52 million during the period to £1.93 million (30 June 2023: £1.41 million) reflecting the issue of convertible loan notes as part of the recent fundraise.

Cash at the Period end was £1.99 million (30 June 2024: £1.72 million). Negative operating cash flow before working capital changes was £2.16 million (H1 FY24 £1.76 million). A positive working capital movement of £0.14 million (H1 FY24 negative movement of £0.33 million) meant that Cash Used in Operations was £(2.02) million (H1 FY24 £(2.08) million).

The Company raised a total of £3.10m in November 2024, comprising £2.60 million (gross) of equity via the issue of 1,960,633,907 new ordinary shares at an issue price of 0.1325 pence each and £0.50 million of convertible loan notes. As at 31 December 2024, and at the date of this announcement, the Company had 3,759,095,958 ordinary shares in issue.

### *Outlook*

Since I joined the Board in November 2024, the focus has been on delivering the Review and executing rapid, decisive changes

to streamline operations, reduce costs, and commercialise our graphene ink heating technology - a product that embodies Haydale's innovation strength.

Whilst this transition has required difficult decisions, we now have a clear pathway to profitability with a developing pipeline of commercial opportunities and active discussions with potential partners through whom we intend to take the product to market. The Group anticipates that, whilst risks still remain, the strategic actions being implemented will bring forwards the point at which the Group can generate sufficient monthly cashflow to sustain itself which was previously expected to occur in the second half of FY26. Although cash reserves are reducing, this is primarily due to investment in working capital to enable future growth. The Group retains the flexibility to adjust working capital requirements, such as reducing stock production if necessary, and potentially has the option to secure debt financing to support this build

Once our heating product is established and when funding and circumstances permit, we anticipate revisiting other nanomaterial innovations that Haydale has developed over the years.

#### Board

The Board intends to appoint a Non-Executive Director with extensive energy sector experience, bringing valuable expertise in commercialising the Group's heating system. Further information will be provided in due course.

Simon Turek  
Chief Executive Officer  
12 March 2025

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 31 December 2024

	Unaudited Six months ended 31 Dec 2024 £'000	Unaudited Six months ended 31 Dec 2023 £'000	Audited Year ended 30 Jun 2024 £'000
<b>REVENUE</b>	1,253	2,466	4,820
Cost of sales	(529)	(1,060)	(2,008)
<b>Gross Profit</b>	<u>724</u>	<u>1,406</u>	<u>2,812</u>
Other operating income	155	237	376
Adjusted Administrative expenses	(3,008)	(3,257)	(6,346)
<b>Adjusted operating loss</b>	<u>(2,129)</u>	<u>(1,614)</u>	<u>(3,158)</u>
Adjusting administrative items:			
Share based payments income/(expenses)	(56)	42	(25)
Depreciation and amortisation	(753)	(757)	(1,514)
Impairment	-	-	(1,227)
Restructuring costs	-	(35)	(34)
	<u>(809)</u>	<u>(750)</u>	<u>(2,800)</u>
Total administrative expenses	<u>(3,817)</u>	<u>(4,007)</u>	<u>(9,146)</u>
<b>LOSS FROM OPERATIONS</b>	<u>(2,938)</u>	<u>(2,364)</u>	<u>(5,958)</u>
Finance costs	(78)	(164)	(393)
<b>LOSS BEFORE TAXATION</b>	<u>(3,016)</u>	<u>(2,528)</u>	<u>(6,351)</u>
Taxation	136	136	241
<b>LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<u>(2,880)</u>	<u>(2,392)</u>	<u>(6,110)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	(98)	(21)	52
Remeasurements of defined benefit pension scheme	101	147	261
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<u>(2,877)</u>	<u>(2,266)</u>	<u>(5,797)</u>
Loss per share attributable to owners of the Parent			
Basic (pence) and Diluted (pence)	2	(0.12)	(0.19)
		(0.19)	(0.40)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 31 December 2024

	Unaudited 31 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000	Audited 30 Jun 2024 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	-	1,059	-
Intangible assets	1,295	1,350	1,338
Property, plant and equipment	4,535	5,260	4,867
	<u>5,830</u>	<u>7,669</u>	<u>6,205</u>
<b>Current assets</b>			
Inventories	2,249	1,603	1,670
Trade receivables	871	1,019	1,088
Other receivables	521	332	376
Corporation tax	387	542	251
Cash and bank balances	1,986	3,300	1,717
	<u>6,014</u>	<u>6,796</u>	<u>5,102</u>
<b>TOTAL ASSETS</b>	<u>11,844</u>	<u>14,465</u>	<u>11,307</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans	(1,743)	(1,106)	(1,392)
Pension obligation	(261)	(422)	(304)
Other payable	(1,494)	(1,649)	(1,558)
	<u>(3,498)</u>	<u>(3,177)</u>	<u>(3,254)</u>
<b>Current liabilities</b>			
Bank loans	(184)	(283)	(14)
Trade and other payables	(2,796)	(1,598)	(2,186)
Deferred income	(216)	(268)	(178)
	<u>(3,196)</u>	<u>(2,149)</u>	<u>(2,378)</u>
<b>TOTAL LIABILITIES</b>	<u>(6,694)</u>	<u>(5,326)</u>	<u>(5,632)</u>
<b>TOTAL NET ASSETS</b>	<u>5,150</u>	<u>9,139</u>	<u>5,675</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	16,926	16,730	16,730
Share premium account	37,474	35,374	35,374
Share-based payment reserve	464	342	408
Retained deficits	(49,315)	(42,933)	(46,536)
Foreign exchange reserve	(399)	(374)	(301)
<b>TOTAL EQUITY</b>	<u>5,150</u>	<u>9,139</u>	<u>5,675</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six months ended 31 December 2024

	Unaudited Six months ended 31 Dec 2024 £'000	Unaudited Six months ended 31 Dec 2023 £'000	Audited Year ended 30 Jun 2024 £'000
<b>Cash flow from operating activities</b>			
Loss after taxation	(2,880)	(2,392)	(6,110)
<i>Adjustments for:-</i>			
Amortisation of intangible assets	193	186	1,614
Depreciation of property, plant and equipment	560	571	1,128
Share-based payment (income)/charge	56	(42)	25
Profit on disposal of plant and equipment	9	7	-
Finance costs	78	164	393
Pension plan contributions	(36)	(86)	(161)
Pension - net interest expense	-	(30)	-
Taxation	(136)	(136)	(241)
<b>Operating cash flow before working capital</b>	<u>(2,156)</u>	<u>(1,758)</u>	<u>(3,352)</u>

<b>changes</b>	(2,100)	(1,700)	(3,802)
(Increase) in inventories	(580)	130	63
(Increase)/decrease in trade and other receivables	72	(341)	(454)
(Decrease)/increase in payables and deferred income	648	(115)	383
<b>Cash used in operations</b>	<b>(2,016)</b>	<b>(2,084)</b>	<b>(3,360)</b>
Income tax received	-	-	397
<b>Net cash used in operating activities</b>	<b>(2,016)</b>	<b>(2,084)</b>	<b>(2,963)</b>
<b>Cash flow used in investing activities</b>			
Purchase of property, plant and equipment	-	(28)	(16)
Capitalisation of intangible assets	(151)	(150)	(503)
<b>Net cash used in investing activities</b>	<b>(151)</b>	<b>(178)</b>	<b>(519)</b>
<b>Cash flow used in financing activities</b>			
Finance costs	(36)	(115)	(174)
Finance cost - right of use asset	(41)	(49)	(95)
Payment of lease liability	(264)	(141)	(446)
Proceeds from issue of share capital	2,598	5,063	5,063
Share issue costs	(302)	(588)	(588)
New bank loans raised	525	21	42
Repayments of borrowings	(31)	(6)	(10)
<b>Net cash flow from financing activities</b>	<b>2,449</b>	<b>4,185</b>	<b>3,792</b>
<b>Net increase in cash and cash equivalents</b>	<b>282</b>	<b>1,923</b>	<b>310</b>
Effects of exchange rate changes	(13)	(1)	29
Cash and cash equivalents at beginning of the financial period	1,717	1,378	1,378
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,986</b>	<b>3,300</b>	<b>1,717</b>

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital	Share premium	Share-based payment reserve	Foreign exchange reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 July 2023</b>	<b>15,717</b>	<b>31,912</b>	<b>833</b>	<b>(353)</b>	<b>(41,137)</b>	<b>6,972</b>
Total comprehensive loss for the Period	-	-	-	-	(2,392)	(2,392)
Other comprehensive (loss)/income	-	-	-	(21)	147	126
Recognition of share-based payments	-	-	(42)	-	-	(42)
Share based payment charges - lapsed warrants	-	-	(449)	-	449	-
Issue of ordinary share capital	1,013	4,050	-	-	-	5,063
Share issue cost	-	(588)	-	-	-	(588)
<b>At 31 December 2023</b>	<b>16,730</b>	<b>35,374</b>	<b>342</b>	<b>(374)</b>	<b>(42,933)</b>	<b>9,139</b>
Total comprehensive loss for the Period	-	-	-	-	(3,718)	(3,718)
Other comprehensive income	-	-	-	73	114	187
Recognition of share-based payments	-	-	67	-	-	67
Share based payment charges - lapsed warrants	-	-	(1)	-	1	-
<b>At 1 July 2024</b>	<b>16,730</b>	<b>35,374</b>	<b>408</b>	<b>(301)</b>	<b>(46,536)</b>	<b>5,675</b>
Total comprehensive loss for the Period	-	-	-	-	(2,880)	(2,880)
Other comprehensive loss	-	-	-	(98)	101	3
Recognition of share-based payments	-	-	56	-	-	56
Issue of ordinary share capital	196	2,402	-	-	-	2,598
Share issue cost	-	(302)	-	-	-	(302)

At 31 December 2024	<u>16,926</u>	<u>37,474</u>	<u>464</u>	<u>(399)</u>	<u>(49,315)</u>	<u>5,150</u>
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### Equity share capital and share premium

The balance classified as share capital and share premium includes the total net proceeds on issue of the Company's equity share capital, comprising £0.0001 ordinary shares. The share premium account can only be used for bonus issues, to provide for the premium payable on redemption of debentures or to write off preliminary expenses, or expenses of, or commissions paid on, or discounts allowed on, any issues of shares or debentures of the Company.

### Share premium account

The share premium account represents the amount received on the issue of ordinary shares in excess of their nominal value, less any costs associated with the issuance of the shares, and is non-distributable.

### Share-based payment reserve

The share-based payment reserve comprises the cumulative expense representing the extent to which the vesting period of share options has passed and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest.

### Retained losses

The retained profits and losses reserve comprises the cumulative effect of all other net gains, losses and transactions with owners (e.g. dividends) not recognised elsewhere.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the six months ended 31 December 2024

#### 1. Accounting policies

##### Basis of preparation

The interim financial statements, which are unaudited, have been prepared on the basis of the accounting policies expected to apply for the financial year to 30 June 2025 and in accordance with recognition and measurement principles of UK adopted International Financial Reporting Standards (IFRSs). The accounting policies applied in the preparation of these interim financial statements are consistent with those used in the financial statements for the year ended 30 June 2024.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all of the disclosures in IAS34 'Interim Financial Reporting'. Accordingly, while the interim financial statements have been prepared in accordance with IFRS they cannot be construed as being in full compliance with IFRS.

The financial information for the year ended 30 June 2024 does not constitute the full statutory accounts for that period. The Annual Report and Accounts for 30 June 2024 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Accounts for 2024 was unqualified but noted that a material uncertainty existed that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern without qualifying their report and did not contain statements under Section 498(2) or 498(3) of the Companies Act 2006.

As a result of the decision to dispose of the US business, the board has considered the carrying value of the US assets. The disposal process is currently scheduled to be completed in April 2025 with the outcome unknown at this stage. Due to the uncertain nature of the value that will be realised for those assets at the current time, the Board has decided not to impair the US assets at this stage.

##### Going concern

The directors have prepared and reviewed detailed financial forecasts of the Group and, in particular, considered the cash flow requirements for the period from the date of approval of these interim financial statements to the end of June 2026. These forecasts sit within the Group's latest estimate which is updated on a regular basis. The directors are also mindful of the impact that the current transition together with the other risks and uncertainties set out on pages 9 to 10 of the Annual Report and Accounts for the year ended 30 June 2024 may have on these estimates and, in particular, the speed of adoption of new products.

After due consideration of the forecasts prepared, the Group's current cash resources after the fund raise in November 2024, the terms of its debt facilities and potential sources of funding available to the Group, the directors consider that the Company and the Group have



adequate financial resources to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on the going concern basis.

Whilst the directors believe that the going concern basis is appropriate at the date of this report, the Board is mindful that notwithstanding the actions being taken to refocus the Group's activities, the cash resources of the Group may be insufficient to fund the cash requirements of the Group through to a position where it is able to fund itself from its own cashflow within 12 months of the date of this report. The Board is pursuing options to secure funding from various sources to provide additional liquidity. In the event that funding cannot be sourced or is not available or is not available in sufficient quantum it is very likely that the Group would need to raise additional equity funding. In the current economic conditions there is inherent uncertainty over the whether such future equity or debt funding would be available. Formally, these circumstances represent a material uncertainty that casts significant doubt upon the Company's and Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these interim financial statements.

## 2. Loss per share

The calculations of loss per share are based on the following losses and number of shares:

	<b>Unaudited Six months ended 31 Dec 2024 £'000</b>	<b>Unaudited Six months ended 31 Dec 2023 £'000</b>	<b>Audited Year ended 30 Jun 2024 £'000</b>
Loss after tax attributable to owners of the Haydale Graphene Industries Group	(2,880)	(2,392)	(6,165)
Weighted average number of shares:			
- Basic and Diluted	2,331,243,004	1,275,647,324	1,534,906,164
Loss per share:			
- Basic (pence) and Diluted (pence)	(0.12)	(0.19)	(0.40)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS 33.

As part of the fund raise on 13 November 2024, the Company's share capital was restructured to in effect reduce the nominal value of each ordinary share from 0.1 pence to 0.01 pence.

## 3. Segmental Analysis

Segmental analysis shows the split between UK and overseas operations to gross profit level.

### Six months to December 2024

	<b>UK £'000</b>	<b>Overseas £'000</b>	<b>Consolidated £'000</b>
<b>Revenue</b>	676	577	1,253
Cost of sales	(308)	(221)	(529)
<b>Gross profit</b>	368	356	724

### Six months to December 2023

	<b>UK £'000</b>	<b>Overseas £'000</b>	<b>Consolidated £'000</b>
<b>Revenue</b>	486	1,980	2,466
Cost of sales	(293)	(767)	(1,060)
<b>Gross profit</b>	193	1,213	1,406

### Year to June 2024

	<b>UK £'000</b>	<b>Overseas £'000</b>	<b>Consolidated £'000</b>
<b>Revenue</b>	1,375	3,445	4,820
Cost of sales	(722)	(1,286)	(2,008)
<b>Gross profit</b>	653	2,159	2,812

#### 4. Approval

The 31 December 2024 interim financial statements were approved by a duly appointed and authorised committee of the Board of Directors on 12 March 2025. A copy of this report is available on the Company's website ([www.haydale.com](http://www.haydale.com)).

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