

8 February 2023

Hardide plc
("Hardide", the "Group" or the "Company")

Annual results for the year ended 30 September 2022

Strong revenue growth from increasing market adoption of our patented coating technology

Hardide plc (AIM: HDD), the developer and provider of advanced surface coating technology announces its annual results for the year ended 30 September 2022.

Highlights

Financial

- Revenue increased by 39% to £5.0m (FY21: £3.6m)
- Gross margin improved to 37% (FY21: 36%)
- Significant reduction in the EBITDA loss to £0.9m (FY21: £1.5m loss)
- Statutory loss before tax of £2.3m (FY21: £2.9m)
- Fundraising in September 2022 raised £0.5m to support working capital requirements. Further initiatives to improve the Group's financial position and to provide further working capital have continued in the new financial year
- Cash at bank at 30 September 2022 of £0.7m (FY21: £1.5m)

Commercial

Strong revenue growth was achieved across all end-use market sectors:

- Energy (representing 57% of FY22 sales): 72% increase overall, comprising 54% increase to the oil & gas sector and an over six-fold increase to power generation, including new business coating turbine blades
- Industrial (representing 39% of FY22 sales): 10% increase including increased demand from a manufacturer of industrial pumps
- Aerospace (representing 4% of FY22 sales): 24% increase in sales to the aerospace sector, with production orders now regularly being received for the Airbus A320, A330, A380 and A400M series aircraft
- In addition, the Company is pursuing significant business development opportunities in the green energy and electric vehicle (EV) markets, including wind and solar power, hydrogen generation and battery production applications

FY23 developments

- Full supplier approval received from Leonardo Helicopters to coat flying parts. First production orders received for helicopter transmission system components
- Purchase, sale and leaseback completed of the Martinsville facility in the USA, generating £0.5m cash in December 2022
- The Board has recently implemented a series of working capital efficiency and cost reduction initiatives that are expected to generate a further £0.3m-0.4m of cash during in the first half of the current calendar year, providing additional headroom, improving profitability, and helping to underpin delivery on expectations for the financial year to 30 September 2023. Opportunities to further strengthen the balance sheet are also being considered
- The Group maintains strong cost discipline and is focused on moving toward organic cash generation.

Strategy

Following a recent strategic review, the Board is executing a two-stage approach:

(a) Focus on becoming profitable and cash generative. This will be driven mainly by increased sales to existing and new customers, utilising proven coating technology and existing production capacity, thereby benefiting from the Group's strong operational gearing; and

(b) Developing opportunities to drive significant value for shareholders and other stakeholders over the medium to longer term, through further development and commercialisation of the Group's unique high performance coatings technology, including co-operation with other coatings companies

Commenting on the results, Philip Kirkham, CEO of Hardide plc, said:*"I am pleased to report strong revenue growth across all the Group's end-use market sectors. In FY22, overall revenues increased by 39% from FY21, recovering to the pre-pandemic record level of £5.0m. This enabled a significant improvement in the EBITDA loss to £0.9m from £1.5m in the prior year.*

"The new financial year has started well, with revenues in the first quarter ahead of those in the same period last year.

"Whilst the Board is mindful of economic headwinds, ongoing cost inflation and supply chain disruption, Hardide has been successful in recovering cost increases through selling prices, and revenues continue to grow from increasing customer adoption of our coatings. As evidenced by the recent action taken to improve working capital and reduce cost, the Board is focused on becoming profitable and cash generative.

"More broadly, the Board is seeking opportunities to drive significant value for shareholders and other stakeholders over the medium to longer term through further development and commercialisation of the Group's unique high performance coatings technology, including co-operation with other coatings companies."

Note: EBITDA excludes depreciation and amortisation of owned assets £0.9m (FY21 £0.9m), depreciation of right of use assets £0.3m (FY21 £0.3m), net financing costs of £0.1m (FY21 £0.1 m) and share based payment charges £Nil (FY21 £0.2m).

Enquiries:

Hardide plc

Andrew Magson, Chair

Philip Kirkham, CEO

Jackie Heddle, Communications Manager

Tel: +44 (0) 1869 353 830

IFC Advisory

Graham Herring

Tim Metcalfe

Florence Chandler

Tel: +44 (0) 20 3934 6630

finnCap - Nominated Adviser and Joint Broker

Henrik Persson/ Abigail Kelly (Corporate finance)

Barney Hayward (ECM/Broking)

Tel: +44 (0) 2072 200 500

Allenby Capital - Joint Broker

Tony Quirke - Sales and Corporate Broking

Jeremy Porter/ Dan Dearden-Williams - Corporate Finance

Tel: +44 (0) 20 3328 5656

Notes to editors:

www.hardide.com

Hardide develops, manufactures and applies advanced technology tungsten carbide/tungsten metal matrix coatings to a wide range of engineering components. Its patented technology is unique in combining in one material, a mix of toughness and resistance to abrasion, erosion and corrosion; together with the ability to coat accurately interior surfaces and complex geometries. The material is proven to offer dramatic improvements in component life, particularly when applied to components that operate in very aggressive environments. This results in cost savings through reduced downtime and increased operational efficiency. Customers include leading companies operating in the energy sectors, valve and pump manufacturing, industrial gas turbine, precision engineering and aerospace industries.

OVERVIEW

The Board is pleased to report the Group's annual results for the 2022 financial year. Revenues increased by 39% from

FY21, recovering to pre-pandemic (FY19) levels of £5.0m. Revenue growth was led by the oil & gas sector as the market began to recover from the downturn during the COVID-19 pandemic.

The combination of strong revenue growth and operational gearing led to a significant reduction in the EBITDA loss to £0.9m for the year, compared with the prior year equivalent of a £1.5m loss.

The improvement in revenues has continued in the current financial year, with revenues in the first quarter ahead of the same period last year.

STRATEGY

Following recent strategic review, the Board is executing a two-stage approach:

- (a) Focus on becoming profitable and cash generative. This will be driven mainly by increased sales to existing and new customers, utilising proven coating technology and existing production capacity, thereby benefiting from the Group's strong operational gearing; and
- (b) Developing opportunities to drive significant value for shareholders and other stakeholders over the medium to longer term through further development and commercialisation of the Group's unique, high performance coatings technology, including co-operation with other coatings companies.

OPERATIONAL OVERVIEW

Customers and Markets

The mix of revenue to our main markets during the year was:

- Energy: 57% (including oil & gas and power generation)
- Industrial: 39%
- Aerospace: 4%

Energy

Sales to energy customers increased by 72% during FY22, including a 54% increase in sales to oil & gas customers. While recovery of demand from our traditional oil & gas customers is strong, it has taken longer than expected to be reflected in our sales due to supply chain delays caused by the shortage of raw materials and labour available to manufacture customers' parts.

Of particular note is that we successfully completed laboratory and field tests for a major European oil & gas company with excellent results, demonstrating that the use of Hardide coating will provide longer-lasting 'noddling donkey' type land-based pumps. The 139-day field test showed no signs of wear, scratches or material loss on the parts. Post-period, large batch parts have been coated for operational field testing. Production orders are expected on successful completion of these tests in the current financial year. The broader market potential for an extended-life version of this well-established technology is considerable.

Further orders are expected in FY23 for the coating of wire mesh used in a new coated sand screen. Chevron Corporation published an exceptionally detailed conference paper in October 2022, at the prestigious SPE Annual Technology Conference and Exhibition in Houston, USA, reporting that the Hardide-coated sand screen achieves a 4x-6x increase in erosion performance and a 10x reduction in corrosion rate as compared to conventional premium sand screens. Over 3,000 feet of these coated sand screens have been deployed in wells to date, with more planned in 2023. This impressive performance is only possible because the unique properties of the Hardide coating mean that it is possible to coat the individual wires which comprise the multi-layer woven metal mesh. Developments are underway with other major companies on similar sand control applications.

Good progress has been made in diversifying the oil & gas customer base with sales spread across a broadening number of customers and with not one dominating divisional revenues.

The IEA World Energy Outlook 2022 cites global demand for energy from oil & gas continuing to grow to 2030, while renewable sources are forecast to account for nearly 50% of electricity generation. Concurrently, industry and governments are committing to transition from fossil fuels and reach net-zero targets. This evolution will provide additional opportunities for Hardide in the oil & gas and alternative energy sectors. The Group is pursuing these with vigour.

Alternative Energy

It is a strategic objective for the Group to increase the proportion of revenue generated from the alternative energy sector. Promising progress with development projects is being made, particularly in hydrogen applications.

Several Hardide coating variants were tested at Cranfield University involving a process for the manufacture of 'green'

Several Hardide coating variants were tested at Cranfield University, involving a process for the manufacture of green hydrogen. The results are encouraging and details of the testing are confidential to maintain patentability of the application. A grant has been awarded by the Henry Royce Institute to fund further testing. In another hydrogen application, a customer is testing the permeability of the Hardide coating for use on components in a hydrogen compressor. Subject to positive results, this opens up a large range of opportunities for Hardide coatings in hydrogen storage and distribution.

The increase in sales expected to our manufacturer of products for the solar cell industry has been lower than expected in FY22 due to the exceptionally high energy prices. Demand for their product is increasing and they have already expanded capacity and expect to ramp-up production in 2023. Sales of our coating on its components will increase directly in line with their production volumes.

Power Generation

Two high-value production orders of coated gas turbine blades were delivered to Ansaldo Energia S.p.A. in Italy and repeat orders are expected in 2023. Developments are also underway on additional applications.

Currently, the Group is working on projects with five power generation companies in the UK and overseas. These are based on Hardide's recently patented coating for blades and vanes for turbines.

EDF Energy is in the process of evaluating the results of resonance tests on the Hardide-coated blades for steam turbines before proceeding to the next stage of development.

Industrial

Demand increased in this sector by 10% from FY21. This was led by a 39% increase in sales to our major industrial pump customer in North America. However, there was a reduction in revenue from the airport X-ray equipment manufacturer due to the COVID downturn. Recovery in demand for their machines has been slow but is projected to increase throughout 2023. Developments are still taking place with the large EV manufacturer on components used in the battery production process. Testing is underway on multiple industrial applications with a large customer in the Far East.

The Group has been developing opportunities in South Korea following a trade visit organised by Innovate UK in October 2019 and attended by the Group's Technical Director. Further progress will require local expertise and to this end, a local partner with extensive experience of selling high-value coatings has been identified and with whom the Group has now signed a marketing agency agreement.

Aerospace

Aerospace sales increased by 24% during FY22, with regular orders being received to coat components for the Airbus A320, A330, A380, A400M and the Beluga transport aircraft. Additional applications are currently in development and testing. Orders continue to be received for the BAE Eurofighter Typhoon. Further orders are expected in FY23 for the Lockheed Martin F35 Lightning II fighter. Technical discussions and trials are underway with several other OEM and maintenance, repair and operations ("MRO") companies for applications including landing gear, door mechanisms and peripheral engine components.

In its Global Services Forecast for 2022-2041, Airbus expects aftermarket maintenance activity to recover to pre-pandemic levels in 2023 and to double in value to \$230bn over the next 20 years. Over this time, we expect that many additional applications for Hardide will be approved. Airbus has also increased its 20-year delivery forecast outlook in support of a firm market recovery.

Post-period end, the Group received full supplier approval from Leonardo Helicopters ("Leonardo") to coat flying parts. The first production order has been coated already. These are for components used in helicopter gearbox transmission systems. They are part of an existing aircraft upgrade and will reduce 'in-service' costs and extend component life. Leonardo is one of the UK's leading aerospace companies and one of the biggest suppliers of defence and security equipment to the UK Ministry of Defence. This approval is expected to open up other opportunities within the wider Leonardo Group and the broader helicopter market.

Hardide exhibited at the Singapore Airshow in February 2022 and at the Farnborough Airshow in July 2022, increasing its exposure in the aerospace sector.

Accreditations and Research & Development

In July 2022, Hardide's UK site achieved Nadcap Gold Merit status, the highest accreditation available for commitment to continual improvement in aerospace quality. The UK site was also re-certified to environmental standard ISO 14001 for a further three years.

turnover three years.

Fundamental experimental work on the development of a new coating variant that would open additional markets for Hardide has been completed. Preliminary assessment has shown the new coating could be patentable. Further development work will be necessary to scale-up and characterise the coating and the Group is looking to secure grant funding for this.

Intellectual Property

Our most recent patent covers the enhanced Hardide coating with improved mechanical properties and its new applications, including turbine blades and vanes. This has been granted in the UK and registration of the equivalent patent is progressing in 10 leading industrial countries.

BOARD AND EMPLOYEES

Following the financial year end, Robert Goddard, the Group's long-serving Chairman stepped down as part of a planned Board succession and was succeeded by Andrew Magson.

On behalf of shareholders and the Board, we'd like to put on record our immense thanks and gratitude to Robert for over 14 years of invaluable service and leadership to Hardide as Chairman, without which the Group as we know it today would simply not exist. He leaves the business well positioned for further growth. All at Hardide wish Robert the very best for the future.

The significant improvement in the Group's recent performance would not have been possible without the hard work and dedication of all our employees. The Board would like to express its thanks and gratitude to everyone for their contribution to the Group's ongoing growth and development.

OUTLOOK

Whilst the Board is mindful of economic headwinds, ongoing cost inflation and supply chain disruption, Hardide has been successful in recovering cost increases through selling prices, and revenues continue to grow as a result of increasing customer adoption of our coatings. As evidenced by the recent action taken to improve working capital and reduce cost, the Board is focused on becoming profitable and cash generative.

More broadly, the Board is seeking opportunities to drive significant value for shareholders and other stakeholders over the medium to longer term through further development and commercialisation of the Group's unique, high performance coatings technology, including co-operation with other coatings companies.

FINANCIAL REVIEW

Income Statement

Sales revenue recovered strongly across our key markets, increasing by 39% to £5.0m. Despite inflationary cost pressures across the supply chain, including an almost twofold increase in the cost of energy, the Group improved its Gross Margins from 36% in FY21 to 37%.

The Group's EBITDA loss was £0.9m (FY21: £1.5m loss) reflecting the increased revenues at improved gross margins.

The statutory loss before tax was £2.3m (FY21: £2.9m).

Balance Sheet

Net assets at 30 September 2022 were £5.5m (FY21: £6.9m), the reduction mainly reflecting the losses incurred during the year. Non-current assets, including right of use assets, were £7.2m (FY21: £7.7m). Hardide is well invested and therefore depreciation exceeded capital investment during the year. Capital expenditure was £0.3m (FY21: £0.3m), largely relating to upgrades to the older reactors in the UK.

Working Capital

Inventory levels were at broadly the same level as the previous year at £0.5m, despite the increase in sales. The main inventory item is process gas, and inventory movements year on year are often attributable to the timing of gas deliveries.

Trade and other receivables increased to £1.0m (FY22: £0.6m) as a consequence of the increased sales over the last two months compared to the equivalent period in 2021. The level of overdue debts was £0.1m higher than the previous year, although this related to one customer that paid shortly after the year end.

Cash Flow

The cash outflow from operating activities was £1.0m, compared to £1.9m in FY21, reflecting the improved trading

performance. Capital expenditure was £0.3m (FY21: £0.3m), with the level of capital expenditure required going forward mainly associated with health and safety improvements and maintenance upgrades. There is no immediate requirement to invest in capacity in either the UK or US facilities.

The overall cash outflow for the year was £0.8m (FY21: £1.2m).

Borrowings and right of use lease liabilities, at £3.1m, remained at a similar level to FY21.

The cash balance at the end of the financial year was £0.7m (FY21: £1.5m) whilst net debt, including lease liabilities was £2.4m (FY21: £1.5m), and excluding lease liabilities was £0.4m (FY21: £0.6m net cash).

Funding

To strengthen its cash position and provide greater working capital flexibility and headroom, the Group has recently raised new funds as follows:

- £0.5m, net of expenses, through an equity fundraising in September 2022; and
- £0.5m from the purchase, sale and leaseback of our facility in Martinsville, USA, in December 2022.

In addition, the Board recently put in place a series of initiatives to improve working capital and reduce costs by £0.3m-0.4m by the end of the first half of the current calendar year. This will provide additional headroom, improve profitability, and help to underpin delivery of expectations for the financial year to 30 September 2023. Opportunities to further strengthen the balance sheet are also being considered.

Going Concern

The directors have adopted the going concern basis in preparing the financial statements after assessing the principal risks and having considered the impact of various downside scenarios compared to the Group's base case financial plans, the pace of sales growth and the level of profit margins for a period of at least 12 months from the date of signing the Annual Report. Whilst the macro-economic position is highly volatile, making scenario planning difficult, the directors have considered various impacts on sales, profitability and cash flows and believe that the Group will have adequate resources to continue in operational existence for the foreseeable future.

The directors considered how the current economic climate, including external forecasts of lower economic growth or recession in 2023, higher interest rates and inflation, may affect the performance of the business; from the supply chain to the ability of our customers to operate. A major disruption caused by such factors would most likely result in reduced sales volumes and require significant action in relation to operational cost reductions, working capital management and control over capital investment. We considered the sensitivity of sales volume reductions over a substantial part of our 2023 financial year and also into 2024. The revenue and operational leverage impact of such a volume loss would have a significant negative impact on the performance of the Group, albeit cash would be released from lower working capital requirements and lower capital spend. The scenario modelling indicates that the Group would have sufficient cash reserves over the foreseeable future. In addition, the Group has a successful track record of raising additional equity finance, if required, to support solvency and growth. The directors therefore believe that the Group is reasonably placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the date of signing of the Group financial statements. Therefore, they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

SUSTAINABILITY AND ESG

On completion of the move to the new UK site in 2020, targets were set in FY21 to reduce emissions per £m of sales by 15% from this baseline year. In FY22, these targets were exceeded considerably on every measure. More broadly, the use of Hardide coatings contributes to the sustainability agenda by significantly increasing the operational life of coated parts, thereby reducing waste and improving efficiency for our customers. The Group is committed to high standards of ethical behaviour and strong governance. Full details are within the ESG section of the annual report.

CONSOLIDATED INCOME STATEMENT
for the year ended 30 September 2022

	Audited 12 months to 30 September 2022 £000	Audited 12 months to 30 September 2021 £000
Revenue	5,015	3,597
Cost of sales	(3,135)	(2,286)
Gross profit	1,880	1,311
Administrative expenses	(2,830)	(2,795)
Depreciation and amortisation of owned assets	(890)	(854)
Depreciation of right of use assets	(318)	(280)
Share based payments	9	(202)
Provisions	-	(6)
Operating (loss)	(2,149)	(2,826)
Finance income	4	3
Finance costs	(49)	(17)
Finance costs on right of use assets	(80)	(87)
(Loss) on ordinary activities before taxation	(2,274)	(2,927)
Taxation	86	125
(Loss) on ordinary activities after taxation	(2,188)	(2,802)
(Loss) per share: Basic	(3.9)p	(5.1)p
(Loss) per share: Diluted	(3.9)p	(5.1)p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2022

	Audited As at 30 September 2022 £000	Audited As at 30 September 2021 £000
Assets		
Non-current assets		
Goodwill	69	69
Intangible assets	19	36
Property, plant & equipment	5,402	5,700
Right of use assets	1,660	1,881
Total non-current assets	7,150	7,686
Current assets		
Inventories	487	504
Trade and other receivables	955	583
Other current financial assets	450	442
Cash and cash equivalents	693	1,543
Total current assets	2,585	3,072
Total assets	9,735	10,758
Liabilities		
Current liabilities		
Trade and other payables	1,077	702
Financial liabilities	257	208
Right of use lease liability	201	201
Provisions		
Provision for onerous lease and dilapidations	-	34
Total current liabilities	1,535	1,145
Net current assets	1,050	1,927
Non-current liabilities		
Financial liabilities	878	738
Right of use lease liability	1,742	1,911
Provision for dilapidations	50	50
Total non-current liabilities	2,670	2,699

Total liabilities	4,205	3,844
Net assets	5,530	6,914
Equity attributable to equity holders of the parent		
Share capital	4,063	3,942
Share premium	19,242	18,854
Retained earnings	(18,200)	(16,012)
Share-based payments reserve	553	562
Translation reserve	(128)	(432)
Total equity	5,530	6,914

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2022

	Audited 12 months to 30 September 2022 £000	Audited 12 months to 30 September 2021 £000
Cash flows from operating activities		
Operating (loss)	(2,149)	(2,826)
Amortisation of intangibles	18	18
Depreciation on owned assets	872	836
Depreciation on right of use assets	318	280
Share option charge	(9)	202
Decrease in inventories	17	61
(Increase) in receivables	(372)	(115)
Increase / (decrease) in payables	372	(204)
(Decrease) in provisions	(34)	(183)
Cash used in operations	(967)	(1,931)
Finance income	4	3
Finance costs	(49)	(17)
Right of use asset interest	(80)	(87)
Tax received	78	96
Net used from operating activities	(1,014)	(1,936)
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	7	18
Purchase of intangibles	(1)	(4)
Purchase of property, plant and equipment	(298)	(313)
Net cash used in investing activities	(292)	(299)
Cash flows from financing activities		
Net proceeds from issue of ordinary share capital	509	764
New loans raised	325	553
Loans repaid	(261)	(101)
Repayment of leases	(251)	(273)
Net cash used in financing activities	322	943
Effect of exchange rate fluctuations	134	120
Net (decrease) in cash and cash equivalents	(850)	(1,172)
Cash and cash equivalents at the beginning of the year	1,543	2,715
Cash and cash equivalents at the end of the year	693	1,543

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2022

	Share Capital £000	Share Premium £000	Share-based Payments £000	Translation Reserve £000	Retained Earnings £000	Total Equity £000
At 1 October 2020	3,836	18,196	360	(345)	(13,210)	8,837
Issue of new shares	106	658	-	-	-	764
Share options	-	-	202	-	-	202
Exchange translation	-	-	-	(87)	-	(87)
Loss for the year	-	-	-	-	(2,802)	(2,802)
At 30 September 2021	3,942	18,854	562	(432)	(16,012)	6,914
At 1 October 2021	3,942	18,854	562	(432)	(16,012)	6,914
Issue of new shares	121	388	-	-	-	509
Share options	-	-	(9)	-	-	(9)
Exchange translation	-	-	-	304	-	304
Loss for the year	-	-	-	-	(2,188)	(2,188)

At 30 September 2022	4,063	19,242	553	(128)	(18,200)	5,530
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Notes

1. Basis of preparation of financial information

While the financial information included in this annual financial results announcement has been prepared in accordance with the recognition and measurement principles of international accounting standards in conformity with the requirements of Companies Act 2006, this announcement does not contain sufficient information to comply with IFRSs.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2022 or 2021 but is derived from those accounts. Statutory accounts for Hardide plc for the year ended 30 September 2021 have been delivered to the Registrar of Companies and those for the year ended 30 September 2022 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports. Their reports for the year ended 30 September 2022 and 30 September 2021 did not contain statements under s498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2. Segmental information

Under IFRS8, operating segments are defined as a component of the entity (a) that engages in business activities from which it may earn revenues and incur expenses (b) whose operating results are regularly reviewed and (c) for which discrete financial information is available. The Group management is organised in to UK and USA operation and Corporate central functions, and this factor identifies the Group's reportable segments.

Year ended 30 September 2022	UK operation £000		US operation £000		Corporate £000		Total £000	
	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	3,076	1,923	1,939	1,674	-	-	5,015	3,597
Interest revenue	-	1	1	-	3	2	4	3
Interest expense	105	96	16	8	8	-	129	104
Depreciation	835	818	373	316	-	-	1,208	1,134
Income tax	-	-	-	-	86	125	86	125
Reportable segment profit / (loss)	(1,650)	(1,939)	186	79	(724)	(942)	(2,188)	(2,802)
Segment assets	6,855	7,083	2,323	2,891	557	784	9,735	10,758
Expenditure for non-current assets	221	255	81	62	-	-	302	317
Segment liabilities	2,962	3,061	893	439	350	344	4,205	3,844

The Group currently has a single business product, so no secondary analysis is presented. Revenue from external customers is attributed according to their country of domicile. Turnover by geographical destination is as follows:

	UK £000	Europe £000	N America £000	Rest of World £000	Total £000
External sales					
2022	1,314	666	3,007	28	5,015
2021	1,257	176	2,149	15	3,597

3. Earnings per share

	2022 £000	2021 £000
(Loss) on ordinary activities after tax	(2,188)	(2,802)
Basic earnings per ordinary share:		
Weighted average number of ordinary shares in issue	56,058,053	54,980,286
Earnings per share	(3.9)p	(5.1)p

As net losses were recorded in 2022 and 2021, the potentially dilutive share options are anti-dilutive for the purposes of the loss per share calculation and their effect is therefore not considered.

4. Post balance sheet events

On 21 December 2022, Hardide Coatings Inc completed a purchase, sale & leaseback of its facility in Martinsville, Virginia, and entered into a new 10 year lease agreement with the purchaser of the site. The consideration paid amounted to \$617,000 and the gross sale proceeds realised were \$1,200,000.

5. Annual report and accounts and notice of AGM

The full annual report and accounts for the year ended 30 September 2022, including the basis for preparation and other explanatory notes, will be posted to shareholders in mid-February 2022 and will be available immediately thereafter on the Company's website (www.hardide.com). The announcement of the publication of the full report and accounts will be notified. Notice of the Company's annual general meeting will be sent to shareholders at the same time.

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