

11 March 2024

**Versarien Plc**

("Versarien", the "Company" or the "Group")

**Sale of Korean Assets and Licencing of IP**

Versarien Plc (AIM: VRS), the advanced materials engineering group, announces that the Company has, in line with its stated strategy, entered into an agreement (the "Agreement") with MCK Tech Co. Ltd ("MCK Tech") to sell the Group's plant and equipment in South Korea ("Korean Plant") for a total consideration of £604,000, as described below, together with an exclusive licence agreement with MCK Tech for the use of five patents, owned by the Group (the "IP"), for additional fees as detailed below (together the "Transaction").

The Company continues to pursue its stated turnaround strategy. An integral part of this strategy is to dispose of non-core businesses and assets. The plant and equipment acquired from Hanwha Aerospace in South Korea in 2020 were identified as non-core and marketed for sale, the Transaction concludes this part of the Group asset sale process. The Group's mature businesses, AAC Cyroma Limited and Total Carbide Limited, continue to be marketed for sale and the Company is progressing discussions with a number of interested parties, though the timing of any further asset sales and the quantum of the funds that may be received remains uncertain.

The net proceeds of the Transaction will be used for the Group's corporate and working capital purposes. The Company continues to actively seek additional short and longer term funding solutions to support its turnaround strategy.

**Further Details on the Transaction**

*Korean Plant*

Under the Agreement MCK Tech is paying £604,000 for the Korean Plant, which comprises the assets of the CVD (Chemical Vapour Deposition) graphene business carried out by Versarien's subsidiary, Versarien Korea Limited, and owned by the Company. £60,400 has been paid and the remaining £543,600 will be paid in full by 31 July 2024 through the following instalments: £120,800 60 days from the date of the Agreement; £120,800 120 days from the date of the Agreement; and £302,000 payable on 31 July 2024.

As at 31 March 2023, the date of Versarien's last notified balance sheet, the gross asset value of the Korean Plant was £844,151. Versarien Korea Limited, which operated the Korean Plant, made a loss after tax of £771,690 in the 18 months to 30 September 2022.

*IP*

In line with the Company's strategy to monetise intellectual property through licensing, Versarien has granted an exclusive licence to MCK Tech (the "Licence"), for an initial period of five years, to use five patents owned by the Company in their business in Korea. These five patent licences are in addition to 14 patents the Company licences to Graphene Lab Co Ltd. MCK Tech will pay Versarien an amount equal to 4.5% of the total sales revenue earned from products manufactured using the IP. If the sales revenue derived from the IP is less than £250,000 over the first two years of the Licence, the Licence will terminate and MCK Tech will pay Versarien £40,000 for use of the IP.

**Dr Stephen Hodge, CEO of Versarien, commented:** "As previously outlined, Versarien's strategy is to be a manufacturing-light business in the UK and licence our patents, know-how and other intellectual property to key partners. In line with this strategy we are pleased that we have secured the sale of the Korean CVD graphene production equipment and licenced five patents to MCK Tech. MCK Tech is a well-respected company that has developed graphene-based sensors for healthcare. MCK's CEO, Dr Seungmin Cho, is one of the pioneers of CVD graphene in Korea, formerly working as Group Leader at Samsung Techwin and Hanwha

Aerospace, prior to founding MCK Tech in 2017, a joint venture with the Centre for Advanced Meta-Materials (CAMM) in Daejeon. We look forward to maintaining access to CVD graphene materials and supporting MCK Tech through collaborative efforts."

**Dr Seungmin Cho, CEO of MCK Tech, commented:**"Acquiring the CVD graphene production equipment is a strategic move to vertically integrate CVD graphene manufacturing and developing applications. Securing the assets and licensing the IP will help us to become a more dependable materials supplier for our valued customers and enable us to shorten the application development cycle to provide new CVD graphene applications covering the IT, military, and healthcare industries. As we are acquiring the heritage of Samsung Techwin and Hanwha Aerospace, we are building on their pioneering work to consolidate our position in the graphene industry. Most of all, MCK Tech is pleased to establish a firm relationship with Versarien, a renowned graphene company, and is looking forward to collaborating in commercialising CVD graphene as well as graphene flakes in the years to come."

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

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