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10 May 2024

Tirupati Graphite plc
(‘Tirupati’, ‘TG’ or the ‘Company’)

Unaudited trading results for the year ended 31 March 2024

Tirupati Graphite plc (TGR.L), the specialist flake graphite company and supplier of the critical mineral for the global energy transition, is pleased to announce its unaudited trading results for the financial year ended 31 March 2024 ("FY24") and a corporate update.

Commenting on the results and recent progress Shishir Poddar, Executive Chairman, said:

"The period has seen a lot of important change. The Company has evolved from a graphite project developer into an established global graphite producer with a growing international roster of blue-chip customers and organisations in the sampling and qualification stages. It is ideally placed to take advantage of its position as a leading supplier of the critical mineral graphite outside China.

The Company has delivered its highest production in the year to date and has achieved this under immensely challenging circumstances. Critically the Company has built world-class plants and facilities using ex-China technologies from its founders and a 30,000tpa final production capacity using its own in-house team and without the need for more costly third party outsourced contractors. It has achieved this in the face of challenging COVID restrictions and the adverse Madagascan cyclone season of 2022.

Tirupati has significantly expanded its resource base, becoming a multi-asset operator that will benefit from the synergies of scale. In doing so we believe we have increased our appeal to our growing global customer base, which is looking to de-risk graphite purchasing and avoid a market dominated by China, whose export restrictions have heightened geopolitical concern and tightened supply.

During the year we successfully managed to grow our commercial production year on year, with 70% growth in sales revenue and 49% year-on-year production growth despite the Company's working capital limitations. We believe we are strongly positioned to capitalise on the growing tailwinds supporting global graphite demand.

The Company is actively seeking new independent appointments to the Board to address shareholder concerns over corporate governance. We are making good progress on this front with announcements expected in the near future regarding board composition changes. As part of this process, we are seeking to split the role of CEO and Executive Chair, with the appointment of a new Non-Executive Chairman.

I take this opportunity to thank all of our investors for their support and reiterate our aligned commitment to drive value from our operations over the near and long term for all stakeholders."

Highlights for the year ended 31 March 2024

Financial (Unaudited for year ending 31 March 2024)

- Total sales increased by 70% YoY to £4,903,856 (FY23: £2,890,010).
- Gross profit decreased 62% to £514,846 (FY23 £1,372,048), largely driven by increased operating costs as a result of the two final concentrate units entering production simultaneously and the inefficiencies caused by the lack of working capital leading to lower than anticipated production and sales and increased cost per ton.
- Initiated engagement with a Development Finance Institution ("DFI") for debt financing for the

proposed expansion of the Madagascar operations from the current effective capacity of 20,000 metric tonnes to 54,000 metric tonnes. Discussions have advanced with documentation and a detailed financial model prepared by the Company currently under review by the DFI.

- Additionally, the DFI has expressed to our appointed intermediary its interest in potentially providing debt funding for the first 50,000tpa flake graphite project development at the Montepuez project in Mozambique.
- As at 31 March 2024, the company had cash and cash equivalents of £189,144.
- The comprehensive unaudited position of current assets and current liabilities as at 31 March 2024 was as tabulated below:

Summary as on 31st March 2024		
1	Trade Receivables	£ 692,929
2	VAT Refundable Madagascar & Mozambique	£ 3,237,805
3	Fixed Deposit in Mozambique towards Bank Guarantees	£ 1,809,278
4	Cash & Cash Equivalents	£ 189,144
5	Inventory	£ 1,209,925
A	Total Current Assets	£ 7,139,080
6	Advance for sales	-£ 504,913
7	Trade Payables of the group	-£ 1,756,569
8	Director remuneration Payable	-£ 241,679
10	Management remunerations payable	-£ 151,756
11	Taxes payable	-£ 15,537
12	Other Payables	-£ 34,262
13	Borrowing payable within 12 months	-£ 1,133,093
B	Total Current Liabilities	-£ 3,837,809

- A significant amount is owed to the Company in respect of the VAT refundable in Madagascar and Mozambique, which the Company is continuing to push to recover.
- With the injection of £2 million to current liquidity the directors believe the Company would be able to operate its projects at a capacity of 20,000 tons per annum, with potential to increase to the rated capacity with the addition of two pre concentrate units to overcome the deficiencies caused by lower ore feed grade of c.3% that the Company is achieving.

Operational

- Total production increased by 49% YoY to 7,096 tons (FY23: 4,770 tons), driven by a debottlenecking programme. This was still beneath achievable capacity due to working capital constraints.
- Added significant JORC 2012 reserves and resources of c. 152 million tons in Mozambique (see Mozambique Group Mineral Reserves & Ore Reserves Statement in 17 August 2021 RNS) by acquiring Suni Resources.
- Completed full commissioning and establishing regular power generation from the Sahamamy 100-kilowatt Hydro Power plant from Q1, paving the way for future additional hydropower capacities, that will significantly reduce costs and accelerate the Company's ability to produce 'green graphite' through sustainable production techniques.
- Successfully grown global customer base. Sample testing and qualification processes are underway with global leaders in Electric Vehicles and associated operators in the supply chain.

Board Composition, Governance & General Meeting

- The Board's immediate priority is to add suitable independent non-executive directors to the Board, including a Non-executive Chairman, on the appointment of which Mr Shishir Poddar would step back as Executive Chairman retaining only the sole position of CEO.
- A simultaneous immediate priority is to appoint a CFO, preferably London-based.
- Concurrently with its own search efforts, the Company is considering the appointment of independent executive search agents for identifying potential suitable, independent, non-executive candidates.
- As announced, the Company has received a valid letter on behalf of a group of underlying shareholders holding, in aggregate, 6,847,813 ordinary shares representing c. 5.8% of the issued ordinary share capital of the Company requesting the Company convene a general meeting. The Company will announce its response to this shortly.

Change of Auditors

- PFK Littlejohn LLP ('PFK') has resigned as company auditor due to amounts owed to them. This is in relation to the prior year's audit, creating a perceived conflict of interest in their audit of the accounts for the year ended 31 March 2024.
- As required by Section 519 of the Companies Act 2006, PFK has confirmed that there are no other circumstances connected with the resignation that it considers should be brought to the attention of the members or creditors of the Company.
- Johnson Chartered Accountants ('Johnsons') was appointed company auditor on 22 April 2024, and Johnsons will therefore undertake the Group's audit for the financial year ending 31 March 2024, and audit work has commenced.

Trading Performance

- Total sales increased by 70% YoY to £4,903,856 (FY23: £2,890,010), with sales increasing across all geographies.
- Total production increased by 49% YoY to 7,096 tons (FY23: 4,770 tons).
- The basket price of graphite sold declined slightly, by 5%, to \$828 (FY23: \$874), in spite of subdued

- market conditions.
- Gross profit for FY24 remained positive, the fourth year in succession, albeit lower than anticipated and the previous year due to commissioning debottlenecking and ramp-up costs, lower head grade and the impact of working capital constraint which has limited production with higher costs per ton as a result.
- Head grade of ore provided from mining activities for its processing plants is c.3% (see 19 October 2023 RNS), resulting in an effective production capacity of 20,000tpa, and requiring the set up of two additional pre-concentrate units further to the existing four in operation, to fully utilise the final 30,000tpa capacity developed.
- A summary of the operating results for the year are as detailed in table below:

Particulars	Unit	FY 2024	FY 2023	% Change YoY
Revenue and Sales				
Quantity Sold & Shipped	MT	7,434	3,982	87%
Revenue from Sales	£	4,903,856	2,890,010	70%
Price Realised	\$/T	828	874	(5%)
Price realised	£/MT	660	726	(9%)
Production and Cost of Production				
Quantity Produced	MT	7,096	4,770	49%
Mining & Processing Costs	£	2,680,678	1,512,563	77%
Human Resources	£	646,067	326,783	98%
Logistics Utilities & Plant Admin Costs	£	923,790	368,061	151%
(Increase) / Decrease in Inventory	£	138,475	-689,445	(120%)
Total Cost of Production	£	4,389,010	1,517,962	189%
Cost of Production per ton	£/MT	619	318	95%
Operating Profits & Margins				
Gross Profit	£	514,846	1,372,048	(62%)
Gross Margin % of sales	%	10	47	(79%)
Cost of Production % of Price realised	%	94	44	114%

Working capital and financial position

- At the start of the year when the Company entered the debottlenecking phase it had £289,338 in cash.
- The Company continued to focus on operating its projects within limitations, engaging with its suppliers of goods and services and buyers to manage cash constraints whilst simultaneously evaluating different alternatives to bridge its requirements; concurrently, it faced the following challenges:
 - Owing to the restriction of 12 month 20% rolling share issue authority under the listing rules, the Company could not issue new ordinary shares without issuing a prospectus; the authority being exhausted by meeting obligations for the acquisition of Suni Resources SA;
 - Engagement with the Company's bankers to provide working capital remained non-productive, with a positive EBITDA report necessary for access to a lending facility.
- During the period, the Company constantly engaged with its broker, Optiva Securities Limited, and sought to address the working capital gap by exploring multiple avenues to raise capital. Despite this, no fundraise could be achieved by its brokers until December 2023. In January 2024 the Company undertook an equity placing, using up the authority reinstated in December 2023.
- The Company has now engaged independent financial advisors to raise funds and is also engaging with professional investors and high-net-worth individuals interested in the Company to resolve the working capital gap.
- In light of the limited working capital availability, the Company's operations remain impacted. Operations are currently being run intermittently, resulting in lower production and sales, as depicted in the result for the year ended 31 March 2024.
- The Company, however, confirms that its projects are well placed to produce as per the current effective capacity of 20,000 tons per annum, considering a 3% head grade, upon a successful financing solution to the working capital while also engaging for VAT refunds as detailed below.
- The Company remains strongly engaged with its creditors across the group, which includes suppliers of goods and services.

Further Details

VAT Refunds

- Following the Madagascar electoral period and assurances the Company received in March 2024, the Company expected the imminent return of VAT funds. As at 31 March 2024 the value of outstanding VAT due to be returned to the Company in Madagascar stood at above \$2 million (£1.65m).
- The Company is yet to see the initiation of refunds and continues to pursue them, but understands the delays of returns are the result of national budgetary constraints.
- The Company is also pursuing the repayment of VAT from Mozambique following the acquisition of Suni Resources (see 3 April 2023 RNS). The VAT outstanding in Mozambique exceeds \$1.2 million (£0.96m).

Development Finance support

- The Company has engaged an advisor to obtain term lending with certain Development Finance Institutions ("DFIs") for further expansion of its Madagascar projects from 20,000 tpa at 3% head grade to 54,000 tons per annum. This involves the investment of circa £30m including the working capital requirements.

- Interactions with large-scale potential customers have driven these engagements along with the tailwinds currently driving global demand for natural graphite.
- Work with DFIs is advancing with extensive document review, and the financial models prepared by the Company have been shared with the DFI and are currently under their review.

Madagascar Mining Resource Drilling and Exploration Update

- As announced on 11 March 2024, the Company completed the second phase of exploration and resource drilling programme at its two Madagascar flake graphite projects, using in-house drill rigs and machinery, involving c.5,000 metres of diamond core drilling, 26,000 metres of auger drilling and 360 metres of trenching.
- An updated Competent Persons Report ("CPR") is being prepared by SRK Consulting.

Mozambique Overview

- The acquisition of Suni Resources SA in April 2023 added two world-class, globally significant natural graphite projects to the Company's asset portfolio: the Montepuez project and Balama Central project.
- The projects acquired contain JORC 2012 reserves and resources of c.152 million tons meaning more than 12 million tons of contained graphite, which adds by a factor of 12 to the Company's global resource base. Together, Montepuez and Balama Central are fully permitted to produce c.158,000 tons per annum of flake graphite.
- As announced, the International PranaGraf Mintech Research Centre (IGMRC) conducted studies to optimise the proposed processing facilities, targeting reduced required processing stages and incorporating sand separation technology to improve efficiencies.
- Reports of tests on the 600 kgs sample have been received. Further tests for the sand separation technology shall require large pilot-scale testing with 10 tons bulk scale testing.
- Product from the tests are being used for providing samples to prospective large customers for qualification.
- It should be noted that IGMRC has provided these technology services to the Company on a complementary basis to date.

Corporate Developments

Downstream business potential and Pranagraf relationship

- The Company has considered options to progress downstream natural graphite processing to capitalise on the current and significant future market opportunities in light of the global energy transition and growing demand for flake graphite.
- Following conversations with various national governments and international funding groups, it is the Board's opinion that the Company should progress its downstream strategy.
- Having pursued a previous agreement with PranaGraf Materials & Technologies Private Limited (or "Pranagraf", the same company formerly known as 'TSG'), and completing the necessary whitewash process as required in 2021 as previously announced, the Company experienced an impasse in the transaction.
- This impasse was primarily caused by: a) Indian regulatory approvals for the transaction requiring an updated valuation in accordance with FEMA requirements (which must be not more than 90 days old, invalidating the original valuation according to the regulation); and b) the valuation variation that the passage of time and evolution of the internal Pranagraf businesses since the original transaction agreement in 2018 has had implications for any proposed transaction value.
- The Company has considered the following options for furthering the relationship with Pranagraf:
 - continued pursuit of regulatory approval for the original proposed acquisition;
 - exploring possible commercial arrangements with Pranagraf; or
 - exploring possible participation in alternative investment vehicles for investment in Pranagraf.
- A prospective option for a commercial arrangement with Pranagraf was offered for discussion by Pranagraf in May 2022 and August 2023 but was not furthered by the Company's previous independent directors who were authorised to progress the matters.
- The Company intends to appoint independent advisors to work alongside future new independent directors, to oversee renewed discussions with Pranagraf regarding any potential commercial arrangements.
- The Company shall provide an update on this as the matters progress, noting that the progress will rest on independent directors on the Board.

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For further information, please visit <https://www.tirupatigraphite.co.uk/> or contact:

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About Tirupati Graphite

Tirupati Graphite Plc is a specialist Graphite producer and a supplier of the critical mineral for a decarbonised economy and the energy transition. The Company places a special emphasis on green applications including renewable energy, e-mobility, energy storage and thermal management, and is committed to ensuring its operations are sustainable.

The Company's operations include primary mining and processing in Madagascar where the Company operates two key projects, Sahamamy and Vatomina with a combined 30,000 tpa of currently installed capacity, producing high-quality flake graphite concentrate with up to 97% purity and selling to customers globally.

The Company also holds two advanced stage, world class, natural graphite projects in Mozambique. Work has already commenced to optimise the economics for development of the Montepuez graphite project, which is permitted for 100,000tpa production and where substantial construction work has already been undertaken by the predecessor. A table of the Company's projects is provided below:

Country	Project	Stage
Madagascar	Sahamamy	In production: 18,000tpa capacity
Madagascar	Vatomina	In production: 12,000tpa capacity
Mozambique	Montepuez	100,000tpa permitted, development-initiated
Mozambique	Balama Central	58,000tpa permitted, development-ready

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