

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) 596 / 2014 WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR").**

**Haydale Graphene Industries plc**

(‘Haydale’ or the ‘Group’)

**Haydale Announces Completion of Business Review and Appointment of CEO**

**Ammanford, 23 December 2024** - Haydale (AIM: HAYD), the global advanced materials group, announces the completion of a comprehensive business review by its significantly reconstituted Board.

As announced in October 2024, following the securing of an additional £3.1m of funding, the reconstituted Board has embarked on a full and rigorous review of all aspects of the business with a view to reprioritising those areas offering up near-term profit enhancement and positive cash generation, whilst continuing to pursue the most commercially attractive longer term strategic options.

The key points of the review and the Board's conclusions are set out below.

**Key Outcomes:**

- **Commercial Potential and Proprietary Value:** The Board is strongly of the view that there are significant commercial opportunities for Haydale's advanced material technologies and core intellectual property portfolio across a range of markets.

Haydale's proprietary technology serves key global end markets, including energy, aerospace, automotive, biomedical sensors, batteries, tyres, coatings, composites, thermoplastics and carbon capture. Growing interest and participation in these sectors reflect strong demand for Haydale's solutions, validated by direct customer engagement and the Group's own extensive market experience.

- **Strategic Focus:** The Board has identified that the Group's efforts and valuable resources are currently spread too thinly, resulting in a diffusion of focus and reduced operational effectiveness. The Group has maintained partnerships that to date have failed to adequately recognise its expertise and value.

The Board has undertaken a comprehensive analysis of the Group's performance to identify products and services with the highest profitability, growth potential, and strategic importance. The Group's highest potential product and service offerings include those for enabling carbon reduction, including its underfloor heating, printed transfers and carbon capture products and related services. As part of the new strategy, the Group will adopt a more focused and simplified approach, leveraging its leading technology to commercialise these products and services.

Furthermore, the strategy will target the most profitable customer segments and geographic regions. These selected revenue streams will offer strong diversification across market segments, characterised by robust demand and significant growth potential.

- **Commercialisation:** The Group will allocate capital, technological resources and talent towards these priority areas. The UK business has been reorganised to focus primarily on two key business lines: heating ink-based energy efficiency products and carbon capture.

*Heating ink-based energy efficiency products business line*

*Underfloor heating:* The Group has successfully completed its first external trial installation with a social housing provider in the Channel Islands and is working with several partners to commercialise the product in

the UK, Europe and North America.

*Printed transfers:* The Group's development work with Cadent for portable hot water and radiator products has been successful and we are working to commercialise these products for their estimated 4 million vulnerable customers. Through another strategic partnership the Group is seeking to develop its heating inks into an emergency heating solution for deployment to households in fuel poverty. The Group is working with several potential partners to take these products into parallel leisure markets.

#### *Carbon capture business line*

The Group has successfully demonstrated through initial trials that its proprietary technology can enhance the efficiency of existing carbon capture materials. Through a new business line introduced by the reconstituted Board, the Group is working with several potential partners to commercialise its technology in the carbon capture, usage and storage market. Under the UK Labour government, carbon capture and storage are a central component of the nation's strategy to achieve net-zero emissions by 2050.

#### *Partnerships*

The Group will maintain strategic partnerships with Petronas, Saint Gobain and certain graphene producers, provided that the commercial arrangements appropriately reflect and reward the Group's capabilities. A small portfolio of incubation projects is being maintained where there is a strong economic and strategic rationale.

#### *Silicon Carbide Tooling*

Over the last few years, the Group has strategically repositioned its US operations by expanding focus from silicon carbide (SiC) powder sales to the manufacture and distribution of advanced cutting tools. This transition aimed to enhance value by moving up the supply chain and capitalising on the growing demand in sectors such as aerospace and automotive.

Despite these strategic initiatives, the expected growth in the Group's US operations has not materialised. It has become clear to the reconstituted Board that the previous management team's confidence in the US business' ability to convert the pipeline on a timely basis was overly optimistic and not reflective of the Group's operational preparedness or knowledge of market conditions. Despite efforts to improve the performance of the US business, the Board expects the US business to remain loss-making beyond FY25 and has concluded that rapid divestment or closure of these operations is in the best interests of the Company and its shareholders.

The Board is currently finalising the operational details of this process and will provide an update to shareholders in due course. Substantial cost savings in FY25 would be realised through the elimination of ongoing operating losses and associated overheads in the US business, contributing to the Group's goal of achieving profitability and improved cash flow in FY25, in order to protect the Group's core business.

**Operational Streamlining:** The Group will focus on its core competencies, streamlining operations to enhance efficiency and significantly reducing costs. Non-core operations are being wound down on an expedited basis or otherwise being exited for value. These comprise smaller scale operations which are not considered material to the Group given the current circumstances. To support this, the Group's supply chain will be optimised by aligning procurement, manufacturing, and distribution processes. Additionally, the Group will simplify operations by reducing complexity in processes and product offerings, lowering costs, and enhancing overall efficiency.

The Board has initiated action to mitigate the current rate of cash burn, including headcount reduction and other operating cost savings, renegotiation of underperforming contracts, closure of the subsidiary office in Thailand and consolidation of the UK offices to a single site at the Group's South Wales headquarters. Initiatives have been identified targeting significant and readily available cost savings.

- **Divestment Plans:** As part of the strategic refocus, the Group intends to divest non-core assets, including the subsidiary office in South Korea. These actions will streamline operations and enable the reallocation of resources to high-growth areas. A separate announcement is being made shortly in regard to the subsidiary office in South Korea.

**Financial Impact:** The Board will implement these strategic initiatives over the coming months. The Group anticipates that, whilst risks still remain, these strategic actions are intended to 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. The Board will be reporting progress to the market in due course.

**Leadership Changes:** To position Haydale for sustainable growth and enhanced shareholder value, Simon Turek, who joined the board on 21 November 2024 as a representative of Quidos Technologies Ltd ("Quidos") (an 18.1% shareholder in the Company and in which Mr Turek has a 49% indirect beneficial interest), led the business review and designed the new strategy. The Board has therefore decided to appoint Simon Turek as Chief Executive Officer, effective 1 January 2025 at which point Gareth Kaminski-Cook will become Non-Executive Chairman.

Gareth Kaminski-Cook, acting Executive Chair of Haydale, commented:

"We are delighted to appoint Simon as CEO. He has demonstrated strategic insight and leadership during the business review, culminating in the development of a clear and actionable plan for the Group's future. The Board has full confidence that Simon is the right leader to bring forwards the Group's break-even point and cash generation and act as a catalyst for change. We welcome his equity alignment in Haydale and his clear commitment to the business, no better illustrated than in his family's relocation to South Wales."

Simon Turek, incoming CEO, commented:

"I am pleased to take on the role of CEO at Haydale at this pivotal moment. Having worked closely with the team to develop the Group's new strategy, I look forward to leading its execution and delivering long-term value for our shareholders, customers, and employees."

**For further information:**

**Haydale Graphene Industries plc**

Gareth Kaminski-Cook, Executive Chair

Tel: +44 (0) 1269 842946

Patrick Carter, CFO

[www.haydale.com](http://www.haydale.com)

**Cavendish Capital Markets Limited (Nominated Adviser & Broker)**

Julian Blunt / Edward Whiley / Trisyia Jamaludin, Corporate Finance

Tel: +44 (0) 20 7220 0500

Andrew Burdis, ECM

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDPPGQPPUPCGBU