

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')

Disposal of Korean Subsidiary

and

Related Party Transaction

Haydale (AIM: HAYD), the global advanced materials group, confirms that it has entered into a transaction to dispose of its Republic of Korea ("Korea") based subsidiary, Haydale Technologies (Korea) Co., Ltd ("HTK") to its local director, Minon Kim (the "Disposal"). HTK is currently a distributor of Haydale products serving the South-east Asia region.

As part of the fundraising announced in October, the Company stated that it would undertake a rigorous review of all aspects of the business with a view to reprioritising those areas offering up near term (as well as long term) profitability, positive cash generation, and other strategic options which align with Haydale's core strengths and accelerate certain commercial activities. One element of this work undertaken immediately by the Board was to review the performance of the overseas entities and potentially dispose of or close them. HTK had been persistently loss-making and a review of its current opportunities and order book has led the Board to conclude that a sale to its local director is appropriate, the associated costs of which are significantly lower than the estimated costs of closure. The sale to Minon Kim also maintains a distribution channel partner in Korea for Haydale products if any of HTK's leads mature going forward.

The Disposal was completed for a nominal consideration of £1, plus the write off of remaining inter-company debt owed to Haydale, of c.£0.34m. In the FY to 30 June 2024 HTK made a loss before tax of c.£0.12m and had proforma net liabilities at completion of c.£0.27m. As part of the Disposal Haydale has granted HTK exclusive distribution rights for the supply of its established products in Korea for a period of one year (ending 1 January 2026).

Related Party Transaction

The sale of HTK and the granting of the exclusive distribution rights to Mingon Kim constitute related party transactions pursuant to Rule 13 of the AIM Rules by virtue of Mingon Kim's status as a director of HTK. The directors of Haydale, having consulted with the Company's nominated adviser, Cavendish, consider that the terms of the sale and granting of distributor rights are fair and reasonable insofar as the Company's Shareholders are concerned.

For further information:

Haydale Graphene Industries plc

Gareth Kaminski-Cook, Executive Chair

Tel: +44 (0) 1269 842946

Patrick Carter, CFO

www.haydale.com

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