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5 February 2025

**Tirupati Graphite plc**

**('Tirupati', or the 'Company' and together with its subsidiaries, the "Group")**

**Operational Update, Strategic Investment and Proposed Fundraising**

Tirupati Graphite plc (TGR.L), the specialist flake graphite company and producer of this critical mineral for the global energy transition, is pleased to announce an update on its operations, current fundraising activities and financial condition, and outlook, following the re-structured Board and executive team's initial strategic assessments and site visit.

**Operations Update**

The Group re-started mining and processing operations from its Vatominina project in Madagascar on 1<sup>st</sup> February 2025. Production will initially be through two pre-concentration units (PCUs) and is expected to stabilise at a daily rate of around 20-25 MT per day for February. The Group intends to install two additional PCUs during 2025. The mine had been idle since 12 December 2024 and had limited and intermittent operations throughout 2024, due mainly to liquidity problems affecting operations. with around 2,000 MT of flake graphite produced throughout the calendar year 2024 according to production records.

During a site visit by CEO, James Nieuwenhuys, in January 2025, meetings were held with key suppliers of goods and services and with key employees to review what steps were necessary to achieve stable production, expand capacity and better develop the mine, as well as improve ESG and safety aspects of the Group's operations.

Initial indications are that the Group could achieve monthly production rates of approximately 600 tonnes per month of flake graphite by end April 2025 and thereafter increasing to around 1,000 MT per month by 31 July 2025 and 1,500 MT per month by December 2025.

The Company has existing orders that it intends to honour and can advise it is receiving strong demand inquiries for its available production capacity going forward.

**Strategic Investment and Proposed Fundraising**

The Company has received proceeds to date of just over £1 million from a new strategic investor and existing investors, including certain directors of the Company, as part of the total commitments received for the issue of £1,605,000 (before expenses) of Convertible Loan Notes (the "2025 Notes") by a private placement (the 'CLN Offering') through Optiva Securities Ltd ("Optiva") as placing agent. The remaining balance of the proceeds is expected to be received by the Company before the end of February 2025 on closing of the transaction. This is the first stage of a larger proposed fundraise, as discussions continue with other parties who may also invest in the CLN Offering as well as a proposed placing of ordinary shares discussed below.

The Company has received investments in the 2025 Notes from certain current directors as below:

£100,000 - Mark Rollins

£100,000 - Murat Erdem

£100,000 - Initial Loan  
£50,000 - Christian Dennis

In addition, £50,000 was received from Optiva; a related party by virtue of Mr Dennis being a director of that company.

The Company intends to launch a placing of ordinary shares later this month. This will be subject to approvals of the shareholders at a general meeting, arrangements for which will be announced in due course. Further potential financing opportunities are also being evaluated.

#### **Abridged Terms of the CLN Offering**

The 2025 Notes will be issued, subject to agreement of the final documentation, in integral multiples of £5,000 each, have zero coupon (except in the limited circumstances described below) and a final maturity date of 31 December 2025. Redemption will be at par value, plus any accrued interest. The 2025 Notes will be direct, unsecured general obligations of the Company, which will not be secured by any mortgage, pledge, or other charge, and will rank equally with one another and with all other existing and future unsecured indebtedness of the Company, except as prescribed by law. The terms of the 2025 Notes will not restrict the Company from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness.

The proceeds of the 2025 Notes may be used for general corporate purposes and working capital.

The 2025 Notes may be converted into ordinary shares of £0.025 par value each in the capital of the Company at a conversion price of £0.05 per share ("2025 Conversion Shares") by notice from a holder of the 2025 Notes ("Noteholder") or from the Company, provided that the Company is able to admit the 2025 Conversion Shares to listing. This is expected to require, inter alia, the approval of a prospectus, to be prepared in due course. Issue of the 2025 Conversion Shares will also be conditional on approval by shareholders in general meeting of the required authorities to allot new shares for this purpose.

Interest shall only accrue and be payable on any outstanding 2025 Notes in the event that the Company is not able to exercise its right to convert the 2025 Notes and procure the listing of the 2025 Conversion Shares on such conversion on or before 31 July 2025 (whether through the publication of a prospectus or otherwise). In such circumstances, the 2025 Notes will accrue interest from their issue date at a rate of 12% per annum (such amount to be rolled-up into the principal amount due in respect of the 2025 Notes).

For each 2025 Conversion Share issued, a Noteholder will be issued one warrant providing the right to subscribe for one ordinary share in the capital of the Company at an issue price of £0.05. The terms of the warrants also include an incentive to warrant holders to exercise their warrants in the initial six months from issue, subject to meeting certain conditions, including pricing. If the conditions attached to the incentive are met, the Company shall grant the warrant holder one additional warrant for every two warrants exercised, to subscribe for ordinary shares at a subscription price of three times the conversion price.

#### **Amendment and conversion of existing Convertible Loan Notes**

The Company has reached agreement with the required 75% majority of the holders of the £0.9 million convertible loan notes issued in 2019 ("Series 1 Notes"), subject to finalised documentation, to amend the Series 1 Notes, which had a maturity date of 31 December 2024. The Series 1 Notes will be converted to ordinary shares of £0.025 par value each in the capital of the Company, at a conversion price of £0.05 per share ("2019 Conversion Shares"), on approval of a prospectus and the admission of the 2019 Conversion Shares to listing. Issue of the 2019 Conversion Shares will also be conditional on approval by shareholders in a general meeting of the required authorities to allot new shares for this purpose. The interest rate on the Series 1 Notes is to be increased to 8% per half year with back-dated effect from 1 July 2024, to be rolled up as additional principal and paid in shares on conversion. In the event that a prospectus has not been approved by 31 July 2025, the amended Series 1 Notes will have a final maturity date of 31 December 2025 and accrued but unpaid interest will be rolled up in the principal amount of the Series 1 Notes to be redeemed or converted.

The Company is engaging with the holders of the 2022 issue of £1.9 million convertible loan notes ("Series 2 Notes") (due 2025) on potential amendments to the interest payments on those notes; any such amendments will require a 75% majority of holders to agree.

#### **Financial Condition and Creditors**

The Group had cash resources as at 1 January 2025 of under £50,000, although that balance has since been augmented by early receipt of part of the proceeds for the issue of the 2025 Notes referred to above, allowing the Group to meet immediate payment obligations and re-start production.

The new Board has undertaken a review of outstanding creditors of the group, which has revealed a significant number of overdue balances. Creditors of the Group comprise:

- A total of 1.2 million (£0.97 million equivalent) in respect of amounts prepaid to the Group by customers and for which delivery has not completed by the due date. Certain of these balances are expected to be settled by delivery of graphite, albeit later than originally scheduled, while part has been converted to promissory notes due for repayment. The Company is negotiating with a number of customers on schedules for repayment and/or delivery to settle these balances. There is a risk that certain of these negotiations will not be successful and balances will consequently be due for immediate repayment.
- The £2.8 million of existing convertible loan notes, principally comprising £0.9 million Series 1 Notes, which are due to be converted into ordinary shares in the capital of the Company as set out above, and £1.9 million Series 2 Notes which have a final maturity date in July 2025. These CLNs represent unsecured general obligations of the Company. The Company will need to re-finance or obtain agreement of the noteholders to amend the maturity of the Series 2 Notes. The holders of the new 2025 Notes referred to above will be additional general creditors of the Company until converted.
- Approximately £1.6 million of other trade creditors for services and goods received and mostly not paid for on a timely basis.
- Approximately £0.4 million which is due to Pranagraf Materials and Technologies Private Limited. Pranagraf was a related party, by virtue of former director and CEO Mr Shishir Poddar being a director and significant shareholder of that company. These balances were incurred under service agreements and procurement arrangements. The Group is reviewing these contracts and balances claimed.
- Approximately £0.5 million due to staff, directors and former directors. The Company may seek to settle part of this balance in equity.

As part of the completion of the financial statements for the year ended 31 March 2024 and for subsequent periods, the Board is reviewing the recoverability and possible impairment of certain of the Group's assets. There is a risk of adjustments being required to the preliminary unaudited results announced in May 2024 including for impairments of historically recorded asset values and accounting provisions for recoverability being necessary.

While the Board has a number of initiatives and negotiations underway to stabilise the Group's financial position, as described in this announcement, and is pleased to have re-started mining operations in Madagascar, in view of the quantum of creditors noted above and legal processes, threatened or already notified to the Company for settlement of overdue amounts, and the number of different workstreams that need to be successfully completed to achieve its plans to restore the Group's financial condition, the Board is obliged to highlight that there is no guarantee of a successful outcome and that there remains a high financial risk to the Company's future at the present time.

#### **Annual Report and Financial Statements, Suspension of LSE Listing**

The Company presently has limited access to its accounting systems and data, as a result of system restrictions imposed by the outsourced service provider in India, of which the former CEO and director is a significant shareholder and managing director. Urgent efforts and legal process are underway to obtain administrative control and access to the Group's full systems and data. As a result, the Company's completion of its 31 March 2024 financial statements ("Accounts") and the corresponding statutory audit for the year ended 31 March 2024 ("Audit"), and the subsequent re-listing of the company's shares to trading, have been delayed, as has the publication of the Company's interim financial statements for the period up to 30 September 2024. The completion of the Accounts and Audit is a high priority for management. The listing of the Company's shares on the LSE (transitional standard sector) remains suspended pending completion of the Accounts and Audit, but the Company will seek to return the listing of its shares to permit daily trading as soon as possible.

#### **Key Contact Information Changes**

The Company advises that it has updated its contact details:

For general inquiries, please contact: [info@tirupati.co.uk](mailto:info@tirupati.co.uk)

For investor relations or media, please contact: [ir@tirupati.co.uk](mailto:ir@tirupati.co.uk)

## Outlook

Following changes to the Board and executive management team over the course of December 2024 and January 2025, the Company has started to establish and will continue to enhance its corporate governance structure in line with best practice for listed companies of similar size.

While recognising that the Group remains financially stressed with no certainty of success in the various steps outlined above to stabilise the Group's finances, the Board is pleased to be able to report the key milestones of production resuming, a new management team being in place, and new funding being secured for the Company. The Board considers that the Group's underlying graphite resources, the demand and inbound inquiries for new supplies of flake graphite that the Group can sell into, and interest being shown by potential investors, can provide a very positive medium and longer term outlook provided that short term liquidity can be secured. While production is likely only from the Vatomina mine during 2025, looking ahead the Board will look to re-start operations and mine development at its Sahamany mine and also look to develop the large resource at its concessions in Mozambique when conditions permit, as well as continuing to actively evaluate various opportunities to vertically integrate by the introduction of downstream processing into its business model.

## ENDS

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

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## About Tirupati Graphite Plc

Tirupati Graphite is a specialist Graphite producer and a supplier of the critical mineral for a decarbonised economy and the energy transition, with leading low development capital and operating costs. 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 Group's operations include primary mining and processing in Madagascar where the Group operates two key projects, Sahamany and Vatomina with a combined installed final production nameplate capacity of 30,000tpa, subject to minor capex additions. The Madagascar operations produce high-quality flake graphite concentrate with up to 97% purity and selling to customers globally.

The Group 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 Group's projects is provided below:

Country	Project	Stage
Madagascar	Sahamany	Production paused: 18,000tpa nameplate capacity
Madagascar	Vatomina	In Production: 12,000tpa nameplate capacity
Mozambique	Montepuez	100,000tpa permitted, construction-initiated Currently in Force Majeure
Mozambique	Balama Central	58,000tpa permitted, development-ready Currently in Force Majeure

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