

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 US sales process update

Ammanford, 17 February 2025 - Haydale (AIM: HAYD), the advanced materials group, announces that, further to the Group's announcement of 10 February 2025 regarding its wholly owned subsidiary, Haydale Ceramic Technologies LLC, ("HCT") being placed into a corporate insolvency process under Chapter 11 subchapter V of the United States ("US") Bankruptcy Code and the proposed public auction of the business and assets of HCT, the auction process has now concluded.

The decision to put HCT into this process was taken to eliminate further cash flow drain on the parent entity arising from the ongoing financial support required to support loss making operations, and to facilitate an orderly and competitive asset sales process designed to maximise value for Haydale shareholders. While early engagement from prospective buyers suggested a strong level of initial interest, the auction process was ultimately undermined by growing caution around inward investment to the US and geopolitical tensions. In particular, escalating cross-border trade tensions and the imposition of reciprocal tariffs between the US and China - where a number of key suppliers in HCT's value chain are located - created significant uncertainty.

Greenleaf Corporation ultimately made the highest offer during the process, which has today been confirmed by the court, amounting to c 680,000, though at this level the Board does not anticipate any cash being returned to the Group's UK entities against its intercompany debtor balance. As previously announced, all intergroup balances and investment have now been provided for in full. Following conclusion of the Court process, Haydale anticipates that an assets transaction will be finalised by the end of April and HCT then liquidated.

Despite this outcome the Group's strategy has been successful in achieving its primary objectives of stemming cash outflows to the US and significantly reducing Group overhead costs and operational complexity, thereby contributing to the Group's goal of achieving improved profitability and cash flow in FY25, in order to protect Haydale's core business.

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