RNS Number : 8154W
Tirupati Graphite PLC
16 March 2026

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Tirupati Graphite plc
('Tirupati' or the 'Company')

Unaudited Half-Year Results to 30 September 2025

Tirupati Graphite plc (TGR.L), the specialist flake graphite company and supplier of the critical mineral for the global energy transition, announces its Interim Results for the six months ended 30 September 2025.

On 13 March 2026, the Company issued its delayed annual report and financial statements for the year ended 31 March 2025. The publication of these financial results for the six months ended 30 September 2025 is the final step in bringing the Company's financial reporting up to date, which we expect will now enable the suspension of trading in the Company's shares on the LSE to be lifted shortly. It also enables the Company to complete the draft Prospectus required for closing the December 2025 Placing and the planned conversion to equity of convertible loan notes. It is, therefore, a major step in the turnaround plan for the Company since the governance and liquidity crises of 2024 and early 2025.

In the six months to 30 September 2025:

- Production totalled 2,204 MTs of flake graphite from the Group's Vatomina project in Madagascar. Vatomina had intermittent production, due principally to adverse weather and operational issues;
- Sahamamy project operations remained suspended on a care and maintenance basis;
- Significant transfers of plant and equipment from the Sahamamy project to the Vatomina project were completed to enhance production capacity and efficiency at Vatomina;
- Funds were raised through a £4.5m issue of convertible loan notes ("2025 Series 1 CLN") announced in May 2025 and a further £0.3 million of convertible loan notes ("2025 Series 2 CLN") subscribed in September 2025.

On 10 December 2025 the Company announced details of a new fundraising and financial re-structuring of the Group, as well as updates on operational and corporate matters. On 6 January 2026, the Company announced the results of the related general meeting of shareholders to approve certain steps in the re-financing.

Mark Rollins, Executive Chairman of Tirupati Graphite, commented:
"The publication of these interim financial statements brings the Company's reporting obligations into full compliance for the first time since July 2024. This brings to a close the issues created by the need to re-build our accounting systems after the previous CEO withheld systems access following his termination as CEO in February 2025. With the fundraising in December 2025 now able to complete, as soon as the Prospectus is approved, and mining operations ready to resume, the Company can now focus on building shareholder value through exploitation of our significant graphite resources."

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INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

In the half year to 30 September 2025 significant progress was made in implementing the turnaround strategy for the operations of the Company's Madagascar projects, following the restart of production from the Vatomina project in February 2025. However, operations also revealed a number of issues that led to the need for a programme of further improvements and upgrades which is now underway.

Production performance was intermittent during the period, reaching a peak monthly production output of 517MTs for April 2025.

Only the Vatomina project operated during the period, whilst the nearby Sahamamy project was kept on care and maintenance pending a full re-development plan.

Group production for the six months was 2,204 MTs (2024: 838 MTs); an increase as a result of greater continuous production in 2025 compared with 2024, which had seen operations at the Vatomina project paused for several months.

As part of the turnaround, plant and equipment including a larger graphite dryer, two pre-concentration units ("PCUs"), flotation cells, centrifuges and milling equipment were successfully relocated from the Sahamamy project to Vatomina. This was completed as part of the plan to expand the production capacity of Vatomina towards 1,500 MTs of graphite per month (subject to necessary consents).

The BK6 mine area was opened up and the two transferred pre-concentration units were installed at the mine site. Production from BK6 commenced in July 2025 and whilst initially very promising, the ore quality proved variable with depth. Modifications to the PCU front end are planned to overcome the clay problem encountered.

During the reporting period, ore was mined from BK6 and the Old Mine deposit. The Old Mine did not provide a consistently acceptable ore grade and it is planned to conduct a significant drilling campaign there to better understand the ore body and develop a more robust mine plan.

Additional mining fleet and equipment was hired, in order to support increased ore extraction and input to the PCUs, and hence delivery of ore into the main processing plant, as well as to enhance mining operations via the opening of new mining areas.

The low ore quality from certain areas is the result of historically poor mine planning and limited exploration drilling. This, and the the impact of previous under-investment in plant and equipment, meant that production targets were not met. In mid September 2025, production operations at Vatomina were suspended pending completion of the further improvement plan, which also required additional financing to fund it.

Total shipments to customers during the period were 1,998 MTs. This included deliveries to complete obligations to those customers who had provided prepayments for their orders over 2023 and 2024.

The average realised sales price for the six months was 846 per MT (2024: 828 per MT); the 2% increase, reflecting relatively stable graphite prices and marketing of higher priced material to new, high quality customers.

There were no significant developments in the period at Sahamamy or at the Group's Mozambique projects, where the security situation continued to prevent activity on site, but where the Group hopes to be able to resume operations soon.

Financial

An operating loss of £2.7 million (2024: £1.6 million loss) was reported for the period. This arose principally as a result of the variable production levels achieved at Vatomina while generally running with full operating cost levels for the six months, as efforts were continued to sustain reliable production and increase it to capacity level. Accordingly, variable costs such as fuel mostly remained high and equipment rental costs increased. However, production at targeted levels and quality was only achieved for short periods. In September 2025, production was suspended pending the improvement programme, as operations on this basis were not sustainable.

Administration expense was £1.8 million for the six months to 30 September 2025 (2024: £0.7 million) but included certain one off expenses and accruals for legal expenses connected with the new financing and bond issues, re-structuring and potential litigation, as well as prior year audit overrun costs. Note that administrative expense also includes salaries of the supervisory staff at the mines in Madagascar, local insurances, warehouse and mine camp expenses there, as well as Mozambique office and camp expenses and corporate costs. In order to reduce cash costs, management and directors agreed to take only a proportion of salary expense in cash. In the comparative 2024 period, the previous management had largely shut down activity at that time, and deferred some costs to the second half of the financial year.

Interest expense was increased compared with the equivalent period of 2024 due principally to the issue of convertible loan notes in 2025 and includes the broker commissions for the bond issuance, as the original maturity of the convertible loan notes was in 2025.

The loss before tax was £3.4 million (2024: £1.9 million) and the net result was very similar as only minimal tax was due in respect of either period.

In respect of cash flow, the balance of the £4.5 million 2025 series 1 convertible loan note proceeds not advanced in the prior period, plus the first tranche of 2025 series 2 convertible loan note, detailed below, were received, bringing in £3.0 million net in the period, which funded the operating loss and capital expenditure in the period. The cash balance was only £0.16 million at 30 September 2025, meaning that the scope to continue the build-up in production and fund the improvement programme was limited until the results of the later fund raise launched in December

2025, described below.

The Company completed the issue of £4.5 million of 2025 Series 1 convertible loan notes ("CLNs") and received commitments for a subsequent £0.3 million of 2025 Series 2 CLN in the period. The 2025 CLNs can be converted to Ordinary Shares of the Company by notice from the Company as soon as the resulting conversion shares can be admitted to trading, which requires lifting of the suspension of share trading referred to above, as well as the approval of a Prospectus for the issue of the new shares by the FCA. To that end, a draft Prospectus has been submitted to the FCA for review. As part of the further package of financing and re-structuring measures announced in December 2025, the terms of the 2025 CLNs were amended, reducing the conversion price and extending the final maturity date. The Company has established a new Guernsey- incorporated subsidiary, TGF Limited, in May 2025. Holders of the 2025 CLN have agreed to the issue of the conversion shares by way of an exchange of the CLN notes for redeemable shares of TGF Limited which in turn will be exchanged for Ordinary Shares in the Company (the "Cashbox Structure").

In December 2025 the Company also announced that it had received commitments for £3.1 million of new funding. Of this, £0.7 million has been provided by way of a further issue of convertible loan notes ("2025 Series 3 CLN") , which will convert to equity. The remaining £2.4 million was committed for a conditional placing of new Ordinary Shares in the Company, at 1.5 pence per share. The conditions for closing of the placing principally represent the same conditions as for the 2025 CLNs to be converted to equity, i.e. that the new shares can be admitted to trading after approval of a prospectus. Further original conditions at the time of subscription, including relating to amendment of the terms of the 2025 and 2019 CLN issues, and passing of authorising resolutions by the shareholders in general meeting, have now been satisfied. The new placing shares will be issued through a similar Cashbox Structure as for the CLN conversion shares. Full details were provided in a Circular to shareholders dated 11 December 2025.

Suspension of Share Trading: trading in the Company's shares on the London Stock Exchange remains suspended as at the date of this report, pending an approval that this filing brings the Company into compliance with its financial reporting obligations, expected to follow very shortly. An update on the resumption of share trading and closing process for the financing will be provided shortly.

2025 Principal Risk and Uncertainties

The Directors have reviewed the principal risks and uncertainties facing the Company and concluded that they remained substantially unchanged from those disclosed in the 2025 Annual Report and listed below:

1. Financial Strategy
2. Capital and Funding risks
3. Competition risks
4. Availability of Utilities: Power and Water Resources
5. Attraction and Retention of Human Capital
6. Standing of Concession Agreements
7. Adverse Weather Conditions
8. Climate Change and Related risks
9. IT Systems: Data and Security risks
10. Geological risks
11. Supply Chain risks
12. Customer Specification and Product Quality risks
13. Volatility of Commodity Prices
14. Geopolitical, Regulatory and Sovereign risks
15. Environmental risks
16. Health and Safety risks.

The detailed descriptions of the principal risks and how they are being managed can be found on pages 30 to 34 of the 2025 Annual Report.

Related Party Transactions

See Note 18 to the Interim Financial Statements for information on related party transactions in the period.

Events since 30 September 2025

- Mr James Nieuwenhuys served as CEO throughout the period, continuing until October 2025 when he reverted to a non-executive director role and was succeeded as CEO on an interim basis by Mr Arun Somani.
- The Company has received approval from the required majority of the holders of existing CLNs issued in 2019 and 2022 to amend the terms, including extension of their final maturity dates and the conditional ability of the Company to convert the 2019 CLN to ordinary shares.
  Full details of these measures have been announced at the time and are also summarised in Note 20 to these interim financial statements.
- Shareholders approved, in January 2026, a sub-division of the Company ordinary share

- Shareholders approved, in January 2026, a sub-division of the Company ordinary share capital, with each ordinary share of 2.5 pence par value sub-divided into one new ordinary share of 1.0 pence par value and one deferred share of 1.5 pence par value.

Going Concern

The half year financial statements to 30 September 2025 are prepared on a going concern basis of accounting, which the Board considers reasonable taking account of key factors and uncertainties described below. The Directors have prepared cash flow projections for the period to 31 May 2027 which show that the Company and the Group meet their ongoing liabilities as they fall due.

Following the steps implemented in 2025, the remaining material uncertainties to continuing as a going concern are now considered to be the closing of the conditional share placing undertaken in December 2025 and the conversion of the 2019 and 2025 Series 1,2 and 3 CLNs to equity before their final maturity dates. These CLN instruments have a final maturity date (as amended in certain cases) of 31 March 2026. The remaining conditions to be satisfied for closing the conditional Placing and for the Company to be able to issue the conversion notices for the 2019 and 2025 Series 1,2 and 3 CLNs to ordinary shares of the Company comprise (i) the Company's ordinary shares having resumed trading on the LSE, which will require the Company to be become compliant with its obligations for financial reporting, for which the last step is the filing of these interim financial statements; and (ii) the approval by the FCA of a prospectus for the issue of the new conversion and Placing shares. To that end, a draft Prospectus has been submitted to the FCA for review, but cannot be completed until the Company is up to date on its financial reporting obligations. The long stop date for satisfaction of the conditions under the Placing Agreement is currently 31 March 2026. There may also be a risk that certain investors default under their obligations under binding placing letters they entered into with the placing agent.

The Board also recognises that the amended final maturity date of the 2022 convertible loan note, of £1.92 million plus accrued interest, falls shortly after the 12 month period, on 31 March 2027, which will require redemption in cash unless noteholders have served notice to convert their holding to Ordinary Shares of the Company prior to that date. To the extent that conversion has not been elected by the noteholders, and redemption in cash at final maturity by the Company is required, the Directors may seek to re-finance such outstanding notes or, if only required in part, redeem out of forecast available cash resources. The Directors consider that re-financing that amount, to the extent required after conversion elections made, would be reasonable to assume, noting that the Company has raised or received financing commitments for £7.9 million in 2025.

At the date of approval of this interim report, the Directors consider that it is reasonable to assume satisfactory outcomes to each of the above milestones. Were the Company unable to close the Placing and require conversion to equity of the 2019 and 2025 CLNs prior to their 31 March 2026 final maturity dates, it would be unlikely to be able to meet its cash flow needs from revenue. Therefore, if the Company was unable to raise additional finance and / or make alternative arrangements with the relevant providers of finance it would likely become insolvent.

The Company notes that even though the above assumptions are considered reasonable, there is a material uncertainty in respect of whether the Company would achieve the milestones described above particularly given that the Prospectus approval requirement is not within the full control of the Directors.

Overall, taking into account the comments above, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed consolidated financial statements been prepared in accordance with International Accounting Standard 34;
- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year and
- the Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules being the information required on related party transactions.

A list of the current Directors of the Company is maintained on the Tirupati Graphite Plc website www.tirupati.co.uk

This Interim Report was approved by the Board of Directors and the above responsibility

This interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Mark Rollins
Chairman
16 March 2026

Disclaimer

This statement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with a resources business. Whilst the Group believes the expectations reflected herein to be reasonable in light of the information available at this time, the actual outcome may be materially different owing to factors beyond the Group's control or within the Group's control where, for example, the Group decides on a change of plan. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 30 September 2025

	Notes	2025	2024
		£'000	**£'000**
Continuing operations			
Revenue	**4**	1,201	904
Cost of sales	**5**	(1,552)	(1,194)
Depreciation of operating assets		(574)	(639)
Gross (loss)		**(925)**	**(929)**
Administrative expenses	**6**	(1,814)	(652)
Operating (loss)		**(2,739)**	**(1,581)**
Finance Income		**37**	**31**
Finance costs	**7**	(654)	(338)
(Loss) before income tax		**(3,356)**	**(1,888)**
Income tax		(9)	(9)
(Loss) for the year attributable to owners of the Company		**(3,365)**	**(1,897)**
Other comprehensive income: items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		1	118
Total comprehensive (loss) for the year attributable to the Group		**(3,364)**	**(1,779)**
Loss per share attributable to owners of the Company		Pence per share	Pence per share
From continuing operations:			
Basic and Diluted	**8**	**(2.43)**	**(1.47)**

The accompanying accounting policies and notes are an integral part of these finance

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Notes	Sept 2025	March 2025
		£'000	£'000
Non-current assets			
Intangible assets	**9**	3,302	3,276
Investments in subsidiaries	**10**		
Property, plant and equipment	**11**	18,666	18,867
Deposits		50	42
Total non-current assets		**22,018**	**22,185**
Current assets			
Inventory	13	504	503
Trade and other receivables	12	2,252	2,331
Restricted cash and cash equivalents	12	1,698	1,777
Cash and cash equivalents		159	172
Total current assets		**4,613**	**4,783**
Current liabilities			
Trade and other payables	**14**	3,857	3,621
Borrowings	**16**	5,821	3,049
Total current liabilities		**9,678**	**6,670**
Net current assets		**(5,065)**	**(1,887)**
Non-current liabilities			
Borrowings	**17**	1,913	1,912
Provisions	**17**	201	201
Other payables	**15**	55	37
Total non-current liabilities		**2,169**	**2,150**
NET ASSETS		**14,784**	**18,148**
Equity			
Share capital	**18**	3,465	3,465
Share premium account		29,489	29,489
Warrant reserve		116	116
Foreign exchange reserve		(916)	(917)
Retained losses		(17,370)	(14,005)
TOTAL EQUITY, attributable to owners of the Company		**14,784**	**18,148**

The accompanying accounting policies and notes are an integral part of these financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 September 2025

	Attributable to the owners of the Company					
	Share capital	Share premium	Foreign exchange reserve	Share warrants reserve	Retained Losses	TOTAL EQUITY
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1						

Balance at 1 April 2025	**3,465**	**29,489**	**(917)**	**116**	**(14,005)**	**18,148**
Loss for the period	**-**	**-**	**-**	**-**	(3,365)	**(3,365)**
Other Comprehensive Income: Exchange translation gain on foreign operations	-	-	1	-	-	1
Total comprehensive loss for the period:	**-**	**-**	**1**	**-**	**(3,365)**	**(3,364)**
Balance at 30 September 2025	**3,465**	**29,489**	**(916)**	**116**	**(17,370)**	**14,784**

The accompanying accounting policies and notes are an integral part of these financial statements.

Unaudited Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 September 2025

		2025	2024
		£'000	**£'000**
Cash used in operating activities:			
(Loss) for the period		**(3,365)**	**(1,897)**
Adjustment for:			
Remuneration settled by issue of equity		-	573
Depreciation		622	683
Finance income		(37)	(31)
Finance costs		654	338
Working capital changes:			
Decrease in inventories		-	576
Decrease in receivables		54	2,021
(Increase)/decrease in restricted cash		79	(1,809)
Increase/(decrease) in payables		236	(1,052)
(Increase)/decrease in other assets		(9)	2
Net cash (used in) operating activities		**(1,766)**	**(596)**
Cash flows from investing activities:			
Purchase of tangible assets		(383)	78
Net cash (used in) investing activities		**(383)**	**78**
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		2,771	50
Short term borrowings		-	627
Finance income		37	31
Lease Liability		(18)	3
Finance costs		(654)	(338)
Net cash from financing activities		**2,136**	**373**
Net (decrease)/increase in cash and cash equivalents		(13)	(143)
Cash and cash equivalents at beginning of		172	186

Cash and cash equivalents at beginning of period		**172**	**[illegible]**
Cash and cash equivalents at end of period		**159**	**42**

The accompanying accounting policies and notes are an integral part of these financial statements.

Notes to the Condensed Financial Statements

1. General Information

Tirupati Graphite plc (the "Company") is incorporated in England and Wales, under the Companies Act 2006 and domiciled in the United Kingdom. The registered office is Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH.

The Company is a public company, limited by shares. The ordinary shares of the Company are listed under the equity companies Transition Category of the FCA listing rules and admitted to trading on the main market of the London Stock Exchange, although currently suspended.

The principal activities of the Company and its subsidiaries (the "Group") graphite mining and related activities. The Company is the parent company of the Group.

These condensed consolidated financial statements are presented in pounds sterling since that is the currency of the primary economic environment in which the Group and Company operates.

2. Significant Accounting Policies and Basis of Preparation

The condensed financial statements for the six-month period ended 30 September 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by UK and the requirements of the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. Accordingly, they do not include all the information required for a full annual financial report and are to be read in conjunction with the Group's financial statements for the year ended 31 March 2025, which were prepared in accordance with UK-adopted international accounting standards (IAS) and in conformity with the requirements of the Companies Act 2006. The condensed financial statements are unaudited and do not constitute statutory accounts as defined in the Companies Act 2006. Financial information included herein for the year ended 31 March 2025 does not constitute statutory accounts as defined in the Companies Act 2006 and was derived from the statutory accounts for that year, a copy of which has been delivered to Companies House. The Independent Auditor's report on those accounts was qualified in respect of certain specific matters, and also included an emphasis of matter and a material uncertainty with respect to going concern.

The significant accounting policies adopted in the 2025 half-year financial statements are the same as those adopted in the Group's financial statements as at 31 March 2025. The following Standard and Interpretations were in issue and effective for the first time in the period beginning 1 April 2025: Lack of Exchangeability - Amendments to IAS 21. This does not have a material impact on the Group.

Going Concern

The condensed financial statements are prepared on a going concern basis of accounting, which the Board considers reasonable taking account of key factors and uncertainties described in this Note. The Directors have prepared cash flow projections for the period to 31 May 2027 which show that the Company and the Group can meet their ongoing liabilities as they fall due.

Through 2024 and early 2025, the Group experienced an extended period of financial distress during which production and therefore revenues were intermittent and the Group was late in settling various creditors. From January 2025, a new Board was in place and new financing has been raised, with amendments agreed to the maturity and terms of existing financing and payment plans agreed with several larger creditors. As at the date of approval of this annual report, 16 March 2026, the Group had £0.1 million available cash but expects but expects to receive the net proceeds of the £2.4 million conditional Placing described in Note 20 once the related Prospectus has been approved and the placing shares can be admitted to trading on the LSE.

Following the steps implemented in 2025, the remaining material uncertainties to continuing as a going concern are now considered to be the closing of the conditional share Placing undertaken in December 2025 and the conversion of the 2019 and 2025 Series 1,2 and 3 Convertible loan notes ("CLNs") to equity before their final maturity dates. These CLN instruments have a final maturity date (as amended in certain cases) of 31 March 2026. See Note 20 regarding events since 30 September 2025 including the issue of 2025 Series 3 CLNs, the conditional Placing, shareholder approvals and CLN amendments completed so far, which satisfy certain of the conditions to closing of the Placing and conversion of the CLNs. The remaining conditions to be satisfied for closing the conditional Placing and for the Company to be able to issue the conversion notices for the 2019 and 2025 Series 1,2 and 3 CLNs to ordinary shares of the Company comprise (i) the Company's ordinary shares resuming trading on the LSE, which will require the Company to be become compliant with its obligations for financial reporting, requiring the filing of these delayed unaudited half year statements to 30 September 2025; and (ii) the approval by the FCA of a prospectus for the issue of the new conversion and Placing shares. To that end, a draft Prospectus has been submitted to the FCA for review, but cannot be completed until these interim financial statements have been filed. The long stop date for satisfaction of the conditions under the Placing Agreement is currently 31 March 2026. There may also be a risk that certain investors default under their obligations under binding placing letters they entered into with the placing agent.

The Board also recognises that the amended final maturity date of the 2022 convertible loan note, of £1.92 million plus accrued interest, falls shortly after the next 12 months, on 31 March 2027, which will require redemption in cash unless noteholders have served notice to convert their holding to ordinary shares of the Company prior to that date. To the extent that conversion has not been elected by the noteholders, and redemption in cash at final maturity by the Company is required, the Directors may seek to re-finance such outstanding notes or, if only required in part, redeem out of forecast available cash resources. The Directors consider that re-financing that amount, to the extent required after conversion elections made, would be reasonable to assume, noting that the Company has raised or received financing commitments for £7.9 million in 2025.

At the date of approval of these interim financial statements, the Directors consider that it is reasonable to assume satisfactory outcomes to each of the above milestones. Were the Company unable to close the Placing and require conversion to equity of the 2019 and 2025 CLNs prior to their 31 March 2026 final maturity dates, it would be unlikely to be able to meet its cash flow needs from revenue. Therefore, if the Company was unable to raise additional finance and / or make alternative arrangements with the relevant providers of finance it would likely become insolvent.

The Company notes that even though the above assumptions are considered reasonable, there are material uncertainties as to whether the Company can achieve the milestones described above and, in particular, the Prospectus approval requirement is not within the full control of the Directors.

Overall, taking into account the comments above, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with UK-adopted IAS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. The critical estimates and judgements for these interim financial statements are considered to be the same as for the Group's financial statements for the year ended 31 March 2025.

4. Segmental Reporting and Revenue

The Group & the Company derives revenue from external customers from the transfer of goods at a point in time in the following major geographical regions:

	USA	Europe	Africa	Asia	Total
	£'000	£'000	£'000	£'000	£'000
Half year ended 30 Sept 2025	30	194	9	968	1,201

	USA	Europe	Africa	Asia	Total
Half year ended 30 Sept 2024	135	31	-	738	904

The following customers constituted more than 10% of the revenue, their respective share of revenue is mentioned below:

	Half year ended 30 Sept 2025	**Half year ended 30 Sept 2024**
	£'000	£'000
Customer A	-	419
Customer B	-	98
Customer C	38	86
Customer D	497	53
Customer E	232	-
Customer F	164	-

5. Cost of Sales

	Half year ended 30 Sept 2025	Half year ended 30 Sep 2024
	£'000	£'000
Mining & Processing costs	**640**	223
Human Resources costs	**193**	152
Logistics utilities & plant admin costs	**718**	250
Change in inventory of inputs	**1**	569
Total	**1,552**	1,194

6. Expenses

	Half year ended 30 Sept 2025 £'000	Half year ended 30 Sept 2024 £'000
The following items have been included in arriving at operating loss:		
Depreciation on non-operating assets	**48**	44
Net foreign exchange gain	**28**	4
PR/IR expenses	**4**	76
Audit fees	**107**	-
Rents	**28**	-
Professional Fees	**467**	121
Insurance	**43**	43
Management and directors salaries	**682**	154
Other administrative expenses	**407**	210

7. Finance Cost

	Half year ended 30 Sept 2025 £'000	Half year ended 30 Sep 2024 £'000
Finance expense	654	338

Finance expense for 2025 includes broker commissions for the CLN issue in the period, as the notes had an original maturity, if not converted, in 2025.

8. Loss Per Share

Basic and diluted

Loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of Ordinary shares in issue during the period.

	Half year ended 30 Sept 2025	Half year ended 30 Sep 2024
Continuing operations:		
Loss attributable to equity holders of the Company (£'000)	**(3,365)**	(1,897)
Weighted average number of ordinary shares in issue	**138,561,420**	128,949,753
Loss per share (pence)	**(2.43)**	(1.47)

The dilutive instruments comprising all the warrants and convertible loan notes issued by the Company have an anti-dilutive effect on loss per share.

9. Intangible Assets

Cost:		**£'000**
At 1 April 2025		3,276
Currency retranslation		26
At 30 September 2025		3,302
Accumulated amortisation:		
At 1 April 2025		-
Charge for the period		-
At 30 September 2025		**-**
Net book value		
At 1 April 2025		3,276
At 30 September 2025		**3,302**

Intangible assets comprise allocations of purchase consideration to rights under mining concessions and licences, including rights to explore, principally the Sahamamy concession.

10. Property, Plant and Equipment

	Plant and machinery	**Mine development assets**	**Assets under and awaiting construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 April 2025	8,233	6,311	8,763	23,307
Additions	178	213	-	391
Divestments	-	-	-	-
Currency retranslation	(566)	(417)	1,007	24
At 30 September 2025	**7,845**	**6,107**	**9,770**	**23,722**
Accumulated depreciation				
At 1 April 2025	3,584	856		4,440
Additions	470	152		622
Currency retranslation	(5)	(1)		(6)
At 30 September 2025	**4,049**	**1,007**		**5,056**
Carrying amount				

As at 1 April 2025	4,649	5,455	8,763	18,867
As at 30 September 2025	**3,796**	**5,100**	**9,770**	**18,666**

11. Trade and Other Receivables and Restricted Cash

a) Trade and Other Receivables

	30 September 2025	31 March 2025
	£'000	£'000
Trade receivables	**256**	89
VAT receivables	**1,904**	2,123
Other debtors	**73**	63
Prepayments	**19**	56
	2,252	2,331

VAT receivables include £1.0 million in respect of recoverable Madagascar VAT and £0.85 million in respect of recoverable Mozambique VAT (the latter measured at fair value at acquisition; face value £1.5 million). The timing of recovery of these balances is uncertain, but there is no track record of material disallowances.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30-60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. All sales of the company are in USD.

Trade receivables are provided for when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

b) Restricted Cash and Cash Equivalents

Restricted cash comprises bank deposits held as security for bank guarantees issued in Mozambique against licence work obligations. The bank deposits are available at short notice to the Group but not included as available cash equivalents because in practice they are being used as security, so do not represent available liquidity.

12. Inventories

	30 September 2025	31 March 2025
At cost and net book value:	**£'000**	£'000
Raw materials and consumables	392	392
Finished and semi-finished goods	112	111
	504	503

13. Trade and Other Payables

Current:

	30 September 2025	31 March 2025
	£'000	£'000
Trade payables	**1,139**	1,753
Social security and other taxes	**196**	186
Advance payments from customers	**-**	204
Accruals	**2,522**	1,478
	3,857	3,621

Non-current:

	30 September 2025	31 March 2025
	£'000	£'000
Lease liability	55	37

14. Commitments

There were no significant capital commitments as at 30 September 2025 or 2024.

15. Borrowings

During the six months to 30 September 2025, the Company issued £4.5 million of 12% convertible loan notes ("2025 Series 1 CLN") with an original final maturity date 31 December 2025. Out of the £4.5 million proceeds, £1.6 million had been received prior to 31 March 2025 as advances. The 2025 Series 1 CLN is convertible to Ordinary Shares of the Company by the holders and conditionally by the Company; the principal conditions being that the conversion shares can be issued and admitted to trading.

On 15 September 2025 the Company created a new 2025 series 2 12% convertible loan note ("2025 Series 2 CLN") of which £0.1 million had been issued by 30 September 2025 and a further £0.16 was issued subsequent to the period end. The terms of the 2025 Series 2 CLN are the same as for the 2025 Series 1 CLN.

The Company has previously issued three other series of convertible loan notes and the terms of two of those issues were amended in the period by resolutions of the required majority of noteholders. The principal terms of the 2019, 2022 and 2025 Series 1 and 2 CLNs as at 30 September 2025 are described in the table below. The See also Note 20 regarding subsequent further amendments to the CLN terms.

Term	**2019 CLN** (as amended, at 30 September 2025)	**2022 CLN** (as amended, at 30 September 2025)	**2025 Series 1 and Series 2 CLNs** (at 30 September 2025)
Coupon	16% pa payable at conversion or redemption.	16% pa to July 2025 and 15% thereafter.	12% pa payable at conversion or

	Company may elect to pay in shares	Payable at conversion or redemption. Company may elect to pay in shares in respect of periods up to July 2025 but payable in cash for subsequent periods	redemption. Company may elect to pay in shares
Maturity	31 December 2025	26 July 2026	31 December 2025
Conversion	At the holders' option or by the Company provided that the conversion shares can be issued and admitted to trading	At the holders' option	At the holders' option or by the Company provided that the conversion shares can be issued and admitted to trading
Conversion Price	£0.0375 per ordinary share	£0.075 per ordinary share	£0.0375 per ordinary share

The Company also has in issue £50,000 of convertible loan notes issued in the six months ended 30 September 2024, ("2024 CLN") with maturity dates in the period 1 February 2027 to 1 April 2027. The 2024 CLN is convertible to Ordinary Shares in the Company at the option of the noteholders at a share price of 3.75 pence per share. Interest is payable at 12% per annum, half yearly. The Company may elect to pay any interest or principal amount due in Ordinary Shares at a 10% discount to the recent trading price. The loan notes can be redeemed by the Company, at any time up to the Maturity Date.

Summary and Maturities:

Maturities due:	**30th September 2025**	**31st March 2025**
	£'000	**£'000**
Within one year:		
2019 CLN	909	909
2022 CLN	-	25
2025 CLN	4,500	-
Advances for convertible loan notes	100	1,560
Promissory note	-	318
Other loans	311	237
Total current	**5,821**	**3,049**
Between 2 and 5 years: 2022 CLN 2024 CLN	 1,863 50	 1,862 50
Total non-current	**1,913**	**1,912**
Total	**7,733**	**4,961**

Other Loans:

During April to December 2024, the Company received £238 thousand in loans and advances from certain of its then Directors to provide working capital. The loans carry interest at 12%. The amounts concerned and original maturity dates are as follows:

Lender	Amount £	Original maturity date
M Lynch-Bell (director)	50,000	31 July 2025
M Lynch-Bell (director)	8,000	Advance, not specified
A Bath (former director)	130,000	1 April 2025
P Poddar (former director)	49,800	31 July 2025

The following table shows movements in total borrowings:

	Six months ended 30 September 2025
	£'000
1 April	**4,961**
Issued during the year	**2,772**
30 September	**7,733**

16. **Provisions**

The Group takes note of the regulations set out by the government requirements and the environmental conditions within the mining permits in the countries in which it operates in respect of the Group's obligations for restoration and rehabilitation. The provision for mine restoration and related costs in Madagascar of £0.2 million is based on initial estimates of the existing obligations for remediation of tailings facilities, re-planting at the mine sites and similar, the timing of which will depend on future life of mine plans. The Board expects to undertake a more extensive review and quantification of potential restoration obligations in respect of the Madagascar and Mozambique mine sites.

17. **Share Capital**

As at 30 September 2025, the Company had in issue 138,561,420 ordinary shares with par value 2.5 pence each (2024: 129,508,310). In the six months ended 30 September 2025, the Company issued no ordinary shares.

The Company granted a right in connection with the 2025 CLN issue to 40,000 warrants to brokers, with an exercise price of 0.0375 pence per share and an expiry date of August 2027. The Company had not accounted for the issue of those warrants in 2025 as they have not yet been issued.

18. Related Party Transactions

PranaGraf Materials and Technologies Private Limited ("Pranagraf", formerly known as Tirupati Speciality Graphite Private Limited) is an entity incorporated in India. Pranagraf was previously connected to the Company in that both Shishir Poddar and Hemant Poddar were directors and shareholders of Pranagraf during the periods covered by this Report, Shishir Poddar was formerly the Company's CEO and director and Hemant Poddar is also a former non executive director of the Company. Ms. P Poddar is also understood to be a director of Pranagraf and is a former Director of the Company. Pranagraf was formerly used by Mr. S Poddar as a channel for provision of services and procurement, including accountancy and IT services, and materials to the Group. Mr S Poddar and Pranagraf have, since January 2025, denied access to the Group to its previous accounting systems and data which were administered by Mr. Poddar and Pranagraf, following the termination of Mr. S Poddar's employment with the Company. See Note 19 regarding claims from Parangraf.

During the six months ended 30 September 2025, sales to PranaGraf by the Company were Nil (2024: £0.4 million) and the Group purchased no equipment and spares from PranaGraf.

Haritmay Ventures LLP ("Haritmay") is an entity incorporated in India which was engaged in

Haritmay Ventures LLP ("Haritmay") is an entity incorporated in India which was engaged in manufacturing graphite processing machinery and equipment, some of which the Group used in its projects. The Company was formerly connected to Haritmay in that former CEO and significant shareholder Shishir Poddar is a controlling shareholder of Haritmay and Ms P Poddar is also a shareholder. As at 30 September 2025, a net amount of £287,039 (2024: £287,039) was receivable from Haritmay. In view of the uncertainty around recovery of that amount, the receivable balance has been fully provided against. In January 2025, the Company issued a legal notice to Haritmay for the repayment of the £287,039. Haritmay has formally denied liability, asserting that the balance represents advances for machinery ordered by the Group between December 2022 and February 2023 which was partially manufactured and that production was halted at Tirupati's instruction owing to financial constraints. No contract or purchase order has been provided to support these claims. Haritmay claims to maintain possession of the unfinished machinery and reports ongoing storage costs. The Group has no requirement for any machinery which Haritmay purports was ordered and partly manufactured.

Optiva Securities Limited ("Optiva") is a United Kingdom stock brokerage firm that has provided broking services to the Company. Optiva is connected to the Company as Mr Christian St.John-Dennis is a director of the Company and a director of Optiva. For the six months ended 30 September 2025, Optiva was due £0.132 million in respect of retainers, commissions and advisory fees (2024: nil).

19. Contingent Liabilities

a) See Note 18 regarding the previous relationship with Pranagraf, an entity incorporated in India previously used as a channel for provision of services and procurement, including accountancy and IT services, and materials to the Group by former directors of the Company Mr S Poddar and Ms P Poddar, who are connected with it. Since January 2025, Pranagraf has denied access to the Group to its previous accounting systems and data which were administered by Mr. Poddar and Pranagraf, following the termination of Mr. S Poddar's employment with the Company.

Pranagraf linked the systems access to outstanding payments which the Company disputes and are also subject to verification due to conflicts of interest involving the former common directors. Pranagraf has denied all allegations and claimed that the Company owes it US 662,090 for services rendered, goods supplied, and business expenses. The Company has counter-claimed that (i) Pranagraf owes monies in respect of unpaid graphite sales; (ii) a significant component of the services purportedly provided during 2024 were not, in fact, provided by Pranagraf and (iii) Prangraf is in breach of the service agreement by withholding data and systems access belonging to the Company. The parties have exchanged legal notices and replies, and the dispute remains ongoing, with potential proceedings under consideration.

At 30 September 2025, the Company has made provision for certain claims invoiced by Pranagraf representing an estimate of those amounts it expects could ultimately be payable. The position takes into account a receivable for graphite sales in 2024 which forms part of the disputed overall balance with Parangraf, where there may also be differences in the application of payments to items on that account. The precise net amounts owing as at 31 March 2025, are disputed, and/or require further investigation as to the validity of charges invoiced, including further assessment of whether certain services were actually performed or may have been provided at inflated prices.

b) The Company has received correspondence in late 2025 seeking to recover sums totalling £923,843 plus interest in respect of alleged monies due in respect of unpaid directors' fees and remuneration from Mr S Poddar and Ms P Poddar. The Company has not accepted those claims, and has responded accordingly. The Company also has counter claims. The Company has provided in the financial statements for a best estimate of an amount which may ultimately be settled in respect of such claims.

20. Events after the Reporting Period

a. **2025 Convertible Loan Notes** the Company completed the issue of £0.3 million of 2025 Series 2 CLNs in October 2025, the terms of which are detailed in Note 15.

The 2025 Series 1 and Series 2 CLNs have since been amended by agreement of the requisite majority of noteholders to extend the final maturity dates to 31 March 2026 and amend the warrant terms to a 2 for 5 basis. The issue of the Series 3 CLN described below triggered an adjustment event for the Series 1 and Series 2 CLNs, amending the conversion price to 1.5 pence per ordinary share. The 2025 CLN can be converted to Ordinary Shares of the Company by notice from the Company as soon as the resulting conversion shares can be admitted to trading, which requires lifting of the suspension of share trading referred to above, as well as the approval of a Prospectus for the issue of the new shares by the FCA. To that end, a draft Prospectus has been submitted to the FCA for review. The Company established a new Guernsey- incorporated subsidiary, TGF Limited, in May 2025. Holders of the 2025 CLN have agreed that the conversion shares will be issued by way of an exchange of the CLN for redeemable shares of TGF Limited which in turn will be exchanged for ordinary shares in the Company.

c . **Convertible loan note amendments**: terms of the existing 2019 and 2022 CLNs were further amended by resolutions approved by the required majority of holders of both series of Notes in January 2026.

The terms of the 2019 issue of £909,000 convertible loan notes have been amended as follows:

1. Conversion price amended to 2.5 pence per Ordinary Share;
2. Final Maturity Date amended to 31 March 2026;
3. Conversion at the option of the noteholder or the Company. Issue of a conversion notice by the Company is subject to the conversion shares being able to be admitted to trading and approval of a Prospectus on the same basis as described above for the 2025 CLN. Holders of the 2019 CLN have agreed to the issue of conversion shares by way of an exchange of the CLN for redeemable shares of TGF Limited which in turn will be exchanged for ordinary shares in the Company;
4. Interest amended to 16% per annum with backdated effect from 1 July 2024. Interest is to be rolled up in the principal amount due at conversion or redemption. At the election of the Company, that interest may be paid in Ordinary Shares at conversion or redemption, calculated at 3.75 pence per Ordinary Share to 30 June 20225 and 2.5 pence thereafter.

The terms of the 2022 issue of £1,862,500 convertible loan notes have been amended as follows:

5. Conversion price amended to 3.75 pence per ordinary share;
6. Final Maturity Date amended to 31 March 2027;
7. Interest amended to 16% per annum with backdated effect from July 2024 to 26 July 2025 and to 15% per annum from 27 July 2025 onwards. Interest is to be rolled up in the principal amount due at conversion or redemption. At the election of the Company, interest to 26 July 2025 may be paid in Ordinary Shares at conversion or redemption, calculated at 3.75 pence per Ordinary Share. Interest for the periods subsequent to 26 July 2025 will be paid in cash.

e. **2025 Series 3 Convertible Loan Note issue ("2025 Series 3 CLN")**: the Company completed the issue of £0.74 million of 2025 Series 3 CLN in December 2025. The principal terms of the Series 3 2025 CLN are as follows:

1. Final maturity 31 March 2026;
2. Conversion price 1.5p per ordinary share;
3. Interest at 10% per month payable in ordinary shares at conversion;
4. For each conversion share issued, the noteholder will also receive 1 warrant to subscribe for an ordinary share at 3.75 pence;
5. Conversion at the option of the noteholder and at the election of the Company subject to the same conditions as for the 2025 Series 1 CLN noted above, with the same arrangement for conversion involving TGF Limited having been agreed.

f. **Share Sub-division**: at a General Meeting in January 2026 shareholders approved a resolution to reduce the nominal value of the ordinary shares of the Company by way of a sub division of the issued share capital such that each ordinary share is sub-divided into one new ordinary share of 1.0 pence par value and one deferred share of 1.5 pence par value. The deferred shares have no significant rights attached to them and carry no right to vote or participate in a distribution of surplus assets and will not be admitted to listing or trading.

g. **Share Placing ("Placing"):** the Company received commitments in December 2026 for £2.4 million by way of a conditional placing of new ordinary shares issued at 1.5 pence per share. The Placing is conditional on: the Sub-division and authorising resolution for the share issue being approved by shareholders, which approval were obtained at the aforementioned General Meeting in January 2026; on the amendments to the 2019 and 2025 Series 1 and 2 CLNs described above having been approved by the requisite majority of noteholders, which has also been satisfied, and on the Placing shares being able to be admitted to trading which requires satisfaction of the same conditions as for the prospectus and resumption of trading as noted for conversion of the 2025 Series 1 and 2 CLNs described above.

h. **Warrants**: the Company has obligations to issue 9.582 million warrants to brokers under fee arrangements for the financing transactions completed after the 31 March 2025 year end, all exercisable at 3.75 pence per share and with a three year duration. Out of that total, 5.464 warrants are due to Optiva Securities Limited. Rights to additional broker warrants exercisable at 1.5 pence per share will be triggered by the completion of the Placing referred to above.

i . **Director loans**: £0.05 million of loans from directors have been exchanged for additional 2022 CLNs.

h. **Potential legal proceedings**: the Company has received correspondence in late 2025 seeking to recover sums totalling £923,843 plus interest in respect of alleged monies due in respect of unpaid directors' fees and remuneration from S Poddar and P Poddar. The Company has not accepted those claims, and has responded accordingly. The Company also has counter claims. The Company has provided in the accounts for a best estimate of an amount which may ultimately be settled in respect of such claims.

i. **Cyclone:** A cyclone in February 2026 affected the region of the Group's mines in Madagascar. While no significant damage was caused to facilities or equipment at the mines, some damage to access roads did occur as well as damage at Toamasina, the port used for export of graphite, which has caused some short term interruptions to shipments and damage to rented warehouse facilities, for which alternatives are expected to be available. It is not expected that the cyclone impact will have any significant lasting impact.

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