

# **Investor Presentation**

## **FY25 Interim Results**

to 31 December 2024

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# Business Review

- In Q2 FY25, the Board undertook a comprehensive review of all aspects of the business.
- These interim results reflect the period prior to the new strategy's implementation and underscore the challenging financial position the business faced at the time of the review.
- Group revenues declined by nearly 50% to £1.25 million in H1 FY24 with a consequential 32% increase in operating loss to H1 FY24.
- The Review identified significant challenges:
  - an excessive cost base for the level of revenue
  - dispersed focus across 100+ initiatives
  - over-optimistic assumptions regarding the US business (which accounted for 68% of Group turnover in FY24)
- The new strategy was announced on 23 December, it substantially reduce the cost base, streamlines operations, and focuses on products bringing short-term commercial revenue leading to an earlier breakeven position.



# Reorganisation Highlights

In Q3 FY25, the focus has been on implementing the new strategy, including:

- 55% reduction in headcount and 60% reduction in overheads on a FY equivalent basis compared with FY24
  - Divestment of the Group's loss-making Asian operations
  - Exiting from the Group's loss-making SIC tooling business in the US
  - Consolidation of the Group's activities to a single site in Ammanford
- Reorganising the business to focus primarily on heating ink technology products
- Maintaining profitable revenue-generating contracts with Petronas and Cadent
- Securing new commercial contracts in sectors aligned with the business priorities

These steps bring forward the point at which the Group can generate sufficient monthly cashflow to sustain itself. Full benefits from these initiatives are expected from the end of FY25 onwards.



# FY25 Interims Income Statement

- **49% reduction in YoY H1 revenues**
  - Driven by decline in overseas revenues and specifically US transition to tooling taking longer than anticipated.
  - UK business grew revenues 39% YoY to £0.68m.
  - Gross margin of 58% marginally increased from FY24 H1 due to sales mix.
  - Adjusted operating loss increased by 32% from FY24 H1.
- **Cost savings initiated in H1** led to 7.6% reduction in Adjusted Admin Expenses.
- **Adjusting administrative items**
  - Share based payment charge increased due to write back of costs from staff reductions in H1 FY24.

PROFIT & LOSS	Dec-24	Dec-23	Change		Jun-24
	Unaudited £'000	Unaudited £'000	£'000	%	Audited £'000
Revenue	1,253	2,466	(1,213)	-49.2%	4,820
Gross Profit	724	1,406	(682)	-48.5%	2,812
<i>Gross profit margin</i>	58%	57%		1%	58%
Other Operating Income	155	237	(82)	-34.6%	376
Adjusted Admin Expenses	(3,008)	(3,257)	249	7.6%	(6,346)
Adjusted Operating Loss	(2,129)	(1,614)	(515)	-31.9%	(3,158)
Adjusting Administrative items:					
Share based payment exp.	(56)	42	(98)		(25)
Dep'n & Amort'n	(753)	(757)	4		(1,514)
Restructuring	-	(35)	35		(34)
Impairment	-	-	-		(1,227)
Total Trading Admin Expenses	(3,817)	(4,007)	190	4.7%	(9,146)
Loss from Operations	(2,938)	(2,364)	(574)	-24.3%	(5,958)
Finance Costs	(78)	(164)	86	52.4%	(393)
Loss before Taxation	(3,016)	(2,528)	(488)	-19.3%	(6,351)
Taxation	136	136	-	0.0%	241
Loss from Cont. Ops.	(2,880)	(2,392)	(488)	-20.4%	(6,110)



# FY25 Interims Balance Sheet

- US Goodwill written off in FY24.
- Inventories reflect US silicon carbide manufacturing campaign in FY25 H1.
- Pension obligation fell due to actuarial revaluation.
- Other current liabilities increased due to Innovate Loan current element, terms currently in discussion, fully covenant compliant.
- Other non-current payables relate to reduction in the lease liabilities (IFRS16).
- £28m of UK tax losses available to shield future profits.

BALANCE SHEET	Dec-24 Unaudited £'000	Dec-23 Unaudited £'000	Change		Jun-24 Audited £'000
			£'000	%	
<b>Non-current Assets</b>					
Goodwill & intangibles	1,295	2,409	(1,114)	-46%	1,338
Tangible fixed assets	4,535	5,260	(725)	-14%	4,867
	5,830	7,669	(1,839)	-24%	6,205
<b>Current Assets</b>					
Inventories	2,249	1,603	646	40%	1,670
Trade receivables	871	1,019	(148)	-15%	1,088
Other receivables	908	874	34	4%	627
Cash	1,986	3,300	(1,314)	-40%	1,717
	6,014	6,796	(782)	-12%	5,102
<b>Current Liabilities</b>					
Trade & other payables	(2,796)	(1,598)	(1,198)	-75%	(2,186)
Other current liabilities	(400)	(551)	151	27%	(192)
	(3,196)	(2,149)	(1,047)	-49%	(2,378)
<b>Non-current Liabilities</b>					
Loans	(1,743)	(1,106)	(637)	-58%	(1,392)
Pension obligations	(261)	(422)	161	38%	(304)
Other payables	(1,494)	(1,649)	155	9%	(1,558)
	(3,498)	(3,177)	(321)	-10%	(3,254)
<b>Total Net Assets</b>	5,150	9,139	(3,989)	-44%	5,675

# FY25 Interims Cashflow Statement

## ➤ Operational cash outlay down YoY

- Following the restructuring, normalised monthly cost run rate is £0.275m (reduced from £0.640m).
- No significant fixed asset investment planned/required.
- R&D tax credit received in H2.

## ➤ Successful fund raise in October 2024

- £3.1m gross proceeds in equity and convertible loan notes.

## ➤ Debt at Dec 24: £1.93 m (YE 24: £1.39 m)

- £0.50m Convertible Loan Note, 5-year tenor with interest rolled up.
- £1.41m Innovate & Covid related govt debt.
- Debt Covenants met.
- In process of extending terms on Innovate loan.

CASH FLOW	Dec-24 Unaudited £'000	Dec-23 Unaudited £'000	Change		Jun-24 Audited £'000
			£'000	%	
Operating cash flow before working capital changes	(2,156)	(1,758)	(398)	-23%	(3,352)
Working capital movement	(140)	(326)	186		(417)
R&D Tax Credit Received	-	-	-		397
<b>Net Cash used in Operations</b>	<b>(2,016)</b>	<b>(2,084)</b>	<b>68</b>	<b>3%</b>	<b>(2,963)</b>
Purchase of tangible assets	-	(28)	28		(16)
Purchase of intangible assets	(151)	(150)	(1)		(503)
<b>Net cash used in investing activities</b>	<b>(151)</b>	<b>(178)</b>	<b>27</b>	<b>15%</b>	<b>(519)</b>
Cash flow used in financing activities					
Finance costs	(36)	(115)	79		(174)
Finance costs - right of use asset	(41)	(49)	8		(95)
Payment of lease liabilities	(264)	(141)	(123)		(446)
Gross proceeds from share issue	2,598	5,063	(2,465)		5,063
Share issue costs	(302)	(588)	286		(588)
Net Loan drawdown/(repayment)	494	15	479		32
	2,449	4,185	(1,736)	-41%	3,792
Effect of Exch diffs	(13)	(1)	(12)		29
<b>Net change in cash</b>	<b>269</b>	<b>1,922</b>	<b>(1,653)</b>		<b>339</b>
<b>Balance at period end</b>	<b>1,986</b>	<b>3,300</b>	<b>(1,314)</b>	<b>-40%</b>	<b>1,717</b>



# JustHeat

## Graphene Heating Solution





# Current Issues

## Key issues facing consumers:

### Fuel poverty

Over 6.7 million UK households live in fuel poverty

### Sustainability

Buildings are the largest barrier to reaching Net Zero

### Grid instability

Outdated infrastructure and rising demand from electrification reduces resilience

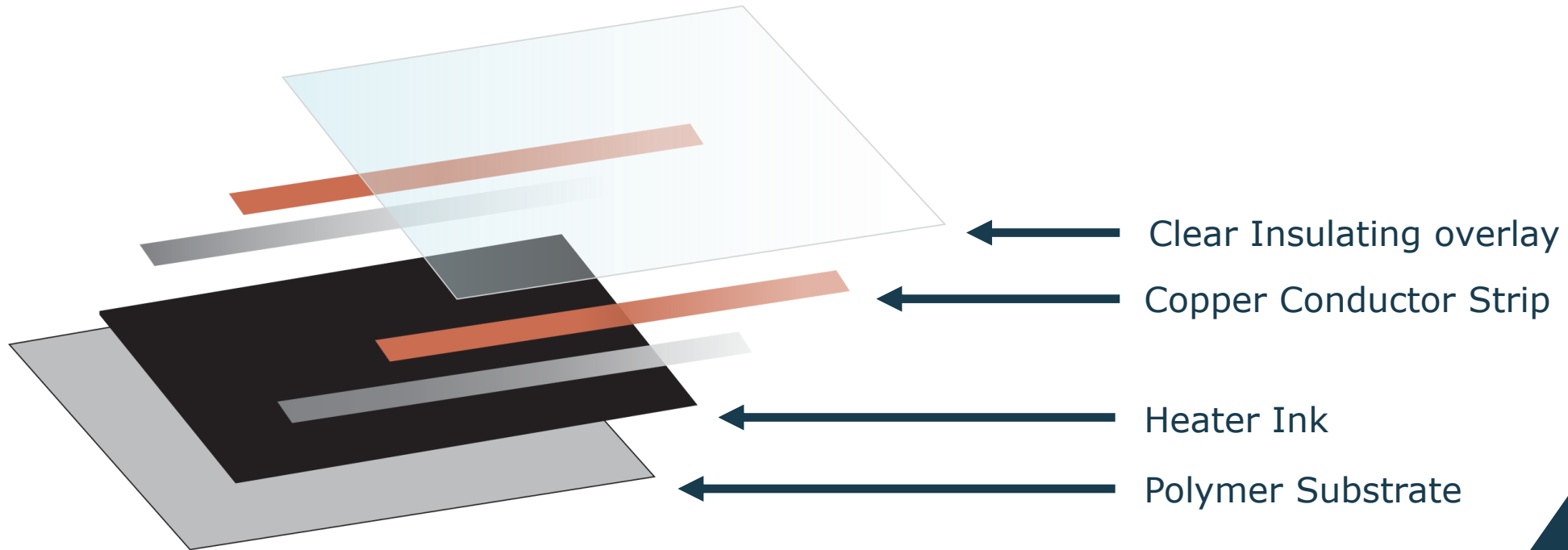
### Rejection of alternatives

High costs, complexity, and behavior change hinder adoption



# Proprietary Technology

- Ultra-thin, flexible heating mats that sit under the flooring, warming up quickly and evenly
- Heats faster and uses less energy than traditional systems
- Easy to install and compatible with renewable energies such as solar power



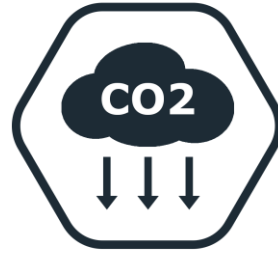
## Benefits when compared to traditional central heating systems



**Quick & Easy to Install**



**Low Cost**



**Low Voltage & CO2 Friendly**



**Rapid Heat Up**



**Zero Maintenance**

**Lower Bills** – Energy-efficient, reducing costs

**Eco-Friendly** – Low Carbon, aligned with Net Zero

**Quick Installation** – No complex setup or delays

**Performance** – Fast, safe, even heat

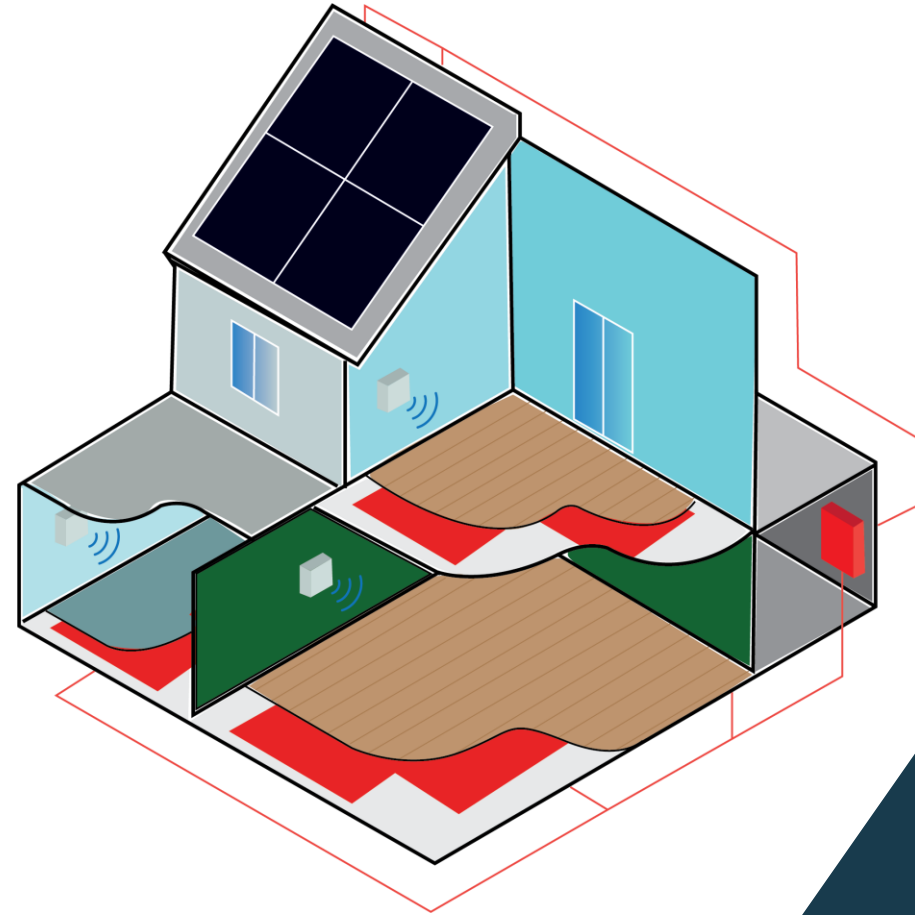
**Zero Maintenance** – 10 Year Warranty



# Progress in Jan – Mar 25





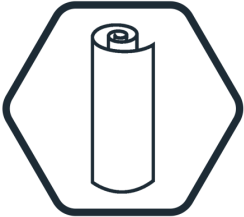
In January to March 25, we have:

- Completed development of the system and built a supply chain
- Successfully completed trials with a housing provider
- Installed the system for testing in Centrica Labs
- Submitted for certification under UKCA (UK), CE (Europe) and UL (North America)
- Commenced production for 12 demonstration sites across the UK, including housing and commercial offices
- Secured initial orders and a growing pipeline of demand



# Annual Costs

(Estimated on an average 3-bedroom house)

Heating Source	Installation Price	Annual Operating Costs	Annual Emissions (Tons of CO2e)
 Gas Boiler	£7000	£776 <a href="#">Energy Saving Trust Fuel Price Guide</a>	2.50 
 Air Source Heat Pump	£12000	£938 <a href="#">Energy Saving Trust Fuel Price Guide</a>	0.85 
 Just Heat Underfloor Heating	£7000	£675	0.30

\*figures taken from Haydale whitepaper V2 2025



# Why Invest?

- Scalable Opportunity: No capital expenditure required to achieve strong growth (leveraging £50m of prior capital investment)
- High Margins: Break-even at ~1,400 homes (£6.5m revenue).
- Strong Growth Trajectory:
  - Example: 2,600 homes → £13m turnover, £3m EBITDA.
  - Site operating capacity: 5,000 homes → £25m turnover, £9m EBITDA.
- Immediate Market Demand: In active discussions with customers, with demand exceeding current operational capacity.



## Additional Upside Potential & Placement

- The ongoing UK business revenues grew 39% YoY in H1 FY25
- Auction of the US business assets is planned to complete in April 2025 and could provide cash upside
- Additional commercial opportunities in sectors aligned with the business priorities
- Placement completed on 13 March 2025 with subscriptions at a 32.5% premium to the closing mid-market price on 12 March 2025 (10% premium to the Company's last fundraise)
- Proceeds will be directed towards supporting growth rather than covering ongoing losses



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