

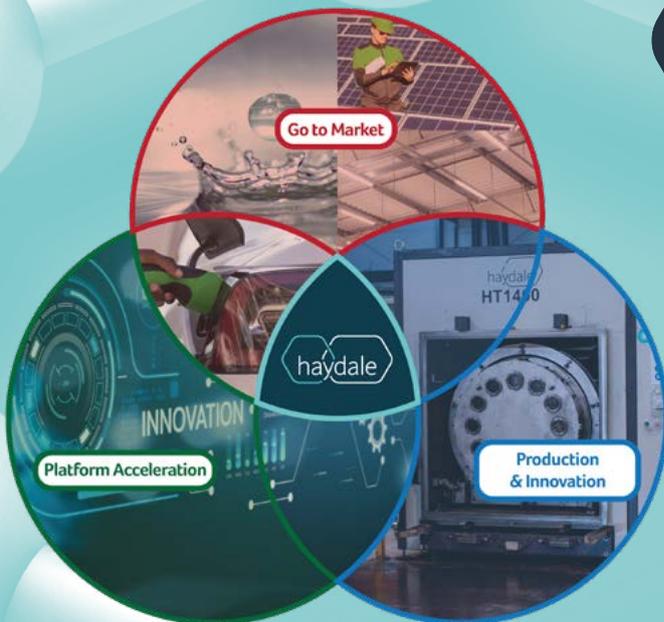


Haydale PLC

Annual Report
And Accounts

For the
15 month
period ended
30 September
2025

Company Registration No:
07228939



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Chair's Statement

Overview

The 15-month period to 30 September 2025 ("FY25") was a decisive period of reset. A new Board was formed, radical restructuring actions were taken to simplify the Group's operating footprint and materially reduce costs, and a more focused, commercially driven strategy was established leveraging Haydale's intellectual property to address the growing energy efficiency market. That strategy is now being executed at pace.

Of specific significance, in April 2025 the Company launched its first commercially viable product, JustHeat, which is enabled by our unique proprietary HDPlas® plasma functionalisation technology and we have already seen a number of significant commercial arrangements announced to strengthen both the supply chain and the sales channels required to successfully take to market. We leveraged this news to raise a further £2.13m of equity investment in late June 2025, thus securing headroom to complete product certification, strengthen the supply chain and assist the ongoing commercial rollout process.

The progress has continued post period end. We launched our second commercial product, a graphene enhanced super-efficient thermal transfer fluid ("SETTF") in November 2025 which is now in commercial testing in a number of industrial settings. In January 2026, we raised a further £5.75m in a fundraise as part of the acquisition of Intelligent Resource Management Limited (trading as "SaveMoneyCutCarbon") ("SMCC") which brings the necessary know how and infrastructure required to take the growing portfolio of Haydale products into commercial markets and diversify the operations towards being an integrated, innovative group of companies focused on delivering solutions to organisations to cost effectively reduce their energy, water and carbon consumption. Since completion of the SMCC acquisition, commercial execution has accelerated, with new national programmes and partner-led deployments progressing into delivery.

New Leadership

During 2024, it was clear that the Company again needed to raise working capital. However, it soon became evident that, in order to garner support from the investor base, meaningful change would have to take place. As a result the then Chairman, David Banks, and CEO, Keith Broadbent, stepped down, and I was invited to take up the role of Executive Chair. The Company was then successful in securing £3.1m of equity investment which closed mid November 2024. Simon Turek joined the Board as a non-independent director on 21 November 2024, representing the Company's then largest investor, Quidos Technologies. The new team immediately set about conducting a root and branch review of the corporate strategy, product offering, regional footprint, cost base and organisation.

Simon increasingly took the lead in this process and, subsequent to announcing the new strategy in December 2024, I was delighted to confirm that Simon would become our new CEO, effective 1 January 2025. Jeremy Nesbitt then joined the Board in April 2025. He has a background in regulated utilities, strategic programme delivery, and public-private partnerships which will be invaluable as Haydale advances the roll-out of its energy-efficient heating technology.

Finally in January 2026, and following the acquisition of SMCC, Mark Sait joined the Board as Chief Commercial Officer. The rapid integration of SMCC and alignment of the enlarged leadership team has materially strengthened commercial execution capability. The Company has moved quickly from transaction completion to operational integration, with sales processes unified and product propositions aligned within weeks of closing.

I believe our new Board is fully capable of bringing the leadership required to both fulfil the promise of Haydale's technologies and drive our highly capable and motivated workforce.

A transformational period of change

The leadership refresh and renewed strategy has already delivered a substantial number of changes which all contribute to reducing cost and complexity and enabling focus on the core growth initiatives related to commercialising products predominantly based on our proprietary heater ink and thermal fluid technologies. These are set out in more detail in the CEO and CFO reports.

Of particular note and as mentioned above, post period end we acquired SMCC. SMCC offers its customers an end-to-end solution to deliver energy, water and carbon efficiencies whilst saving those organisations money. It has a unique positioning with a number of Impact Partners': large organisations which include a number of high street banks. SMCC acts as the outsourced provider of those services to the Impact Partners' customers, thereby helping the banks deliver on their ESG commitments and providing a low cost pipeline of pre-qualified, commercial clients to the enlarged Group.

Whilst there is work to be done to further integrate the businesses and leverage the strength of those Impact Partnerships to roll out the JustHeat products nationally, the Board believes that the Group is now entering a phase of scaled commercial roll-out of JustHeat across multiple programmes, geographies, markets and customer segments. Whilst there remains much to be done we are pleased to say that the integration process is progressing smoothly with all parts of the business aligned and clearly focused on the job in hand.

Chair's Statement (continued)

Staff

This has been a period of significant change and for many this creates uncertainty, all of which can be very challenging for our staff. I want to take this opportunity to recognise their total commitment to the success of the business, their adaptability, flexibility and preparedness to engage with the new performance culture and goals to deliver profit. I would also like to welcome the team at SMCC into the wider Haydale Group. We cannot achieve our stated goals without our talented and motivated team. I want to highlight the role that the senior leadership team have played in developing and now leading delivery of the new strategies. Their leadership has been a key part of the progress we have made so far and will be critical to our future success. On behalf of the non-executives, thanks to you all. Finally, it would be remiss of me not to recognise and offer sincere thanks to my Board colleagues and a number of shareholders who have provided continuing support to me and the broader business.

Outlook

With the acquisition of SMCC complete, Haydale is no longer solely an advanced materials developer; it is now an integrated clean-technology platform with proprietary products, national delivery capability and embedded routes to market.

The enlarged Group enters 2026 with certified proprietary products, a materially reduced fixed cost base, and an integrated national delivery platform. Revenue visibility is structurally improved, with fully contracted programmes covering H1 expectations and a growing partner-led pipeline extending into H2 and beyond. On this basis, and in line with expectations, the Board expects a step-change in reported revenue in FY26 compared to FY25.

The past year has repositioned the business from restructuring to growth. Structural losses have been removed, national routes to market embedded, and operational leverage restored. The Board's focus for FY26 is disciplined execution - converting pipeline into delivered cash-generative revenue and delivering EBITDA within 12 months of the SMCC acquisition completing (Q1 FY27).

The Board believes Haydale now has the right structure, the right products and the right route to market to deliver sustainable, profitable growth and long-term shareholder value.

Gareth Kaminski-Cook

Chair

16 February 2026

CEO Report

FY25: A fundamental reset and the relaunch of Haydale

Overview

When I joined the Board in November 2024, it was clear that Haydale could not continue on its prior trajectory. The Group was spread across multiple geographies, carrying a cost base misaligned with revenues, and dependent on long-dated assumptions around overseas operations and third-party adoption of Haydale's technology that were not converting into value.

The conclusion of my strategic review, delivered in December 2024, was clear: Haydale required a fundamental reset. That was the mandate upon which I assumed the role of CEO in January 2025. The subsequent actions taken in FY25 were designed to remove structural constraints on growth and to position the Group for commercial scale. With these foundations now in place, Haydale enters FY26 as a fundamentally different business: simplified, commercially aligned and focused on execution rather than restructuring.

FY25 should therefore not be treated as a baseline. It represents a period of deliberate discontinuity: the controlled wind-down of the legacy operating model and the relaunch of Haydale as a focused, product-led commercial business. In summary, this has not been a continuation of the existing business. It has been an orderly exit from an operating model that was not scalable and a rebuild from first principles.

From diffuse R&D and non-core activities to a focused, product-led execution

Haydale has a world-leading platform technology in its proprietary HDPlas[®] plasma functionalisation process, and owns derivative intellectual property with high barriers to entry in the advanced materials space. In particular, the graphene heater ink underpinning the JustHeat product range is highly energy-efficient and technologically differentiated.

However, the Company's track record over recent years has demonstrated that Haydale could not rely on others adopting its technology at scale. To succeed, Haydale needed to control its own commercial destiny by taking its intellectual property into product form, targeting volume applications, and building a delivery capability aligned to that ambition. This shift removes reliance on third-party adoption cycles and places control of revenue growth directly with-in the Group.

My priority since January 2025 has therefore been to radically simplify the business:

- exiting loss-making overseas operations and non-core activities;
- reducing overheads through disciplined cost control;
- consolidating legacy Haydale operations into a single UK site; and

- focusing the organisation on a small number of scalable opportunities.

As a result, Haydale has exited its historical, cash-burning businesses and is now focused on only two core activities:

- the manufacture and commercialisation of plasma functionalised graphene-based heating and thermal products, led by the JustHeat range; and
- plasma functionalisation for third parties, increasingly undertaken as paid product-development work with clear routes to volume.

Where Haydale was previously an R&D-centric organisation attempting to support more than 100 projects, products and services, it is now a simpler, product-led commercial business. Whilst we retain ownership of all our intellectual property, that commercial change is intentional and structural.

Taking JustHeat from prototype to market

Whilst FY25 was never going to be a period of evident revenue growth it has however been an intensive period of controlled and targeted change. We took JustHeat from a pre-sales prototype to a certified, deployable product within 6 months and put in place the fundamentals for growth.

The first half of calendar year 2025 was focused on securing the regulatory and technical foundations required to sell JustHeat at scale. During this period, Haydale obtained CE and UL certifications, enabling sales across Europe and North America.

The second half of the calendar year was dedicated to building commercial readiness: establishing supply-chain robustness and production viability, whilst strengthening margin and putting in place the partnerships required to support deployment at scale.

Alongside JustHeat, Haydale also launched a second proprietary product: a HDPlas[®] functionalised graphene Super-Efficient Heat Transfer Fluid, now in commercial trials for cooling applications, including in data centre environments. Both products are underpinned by UK and overseas patents.

By the end of FY25, JustHeat had transitioned from a development programme into a certified, deployable product with established supply chains and multiple routes to market. The remaining variable is not product readiness, but the pace and scale of commercial deployment.

Sales execution – Post-Acquisition Integration in Practice

Early JustHeat sales were not constrained by product performance or demand, but by the absence of a national delivery infrastructure aligned to institutional and compliance-driven environments. Haydale was historically structured to license technology and deliver R&D services, not to operate a scaled, installation-led sales commercial platform.

CEO Report (continued)

This structural gap directly informed the acquisition of SMCC in January 2026. Without SMCC, Haydale would have required substantial additional time and capital to build equivalent national sales infrastructure and accredited installer capability. The acquisition therefore accelerates the Group's revenue realisation while materially reducing its execution risk.

SMCC provides an established commercial platform already embedded within major UK banks, utilities and corporate partners through its Impact Partner Programme. This partner-funded acquisition model generates a continuous flow of pre-qualified B2B demand at effectively zero marginal acquisition cost. Customer acquisition costs are materially reduced, sales cycles shortened, and revenue predictability enhanced.

The enlarged Group now operates through an integrated model comprising:

- **Production & Innovation:** centred in Ammanford and underpinned by our proprietary HDPlas® functionalisation capability;
- **Go-to-Market:** centred in Bury St Edmunds and delivered through SMCC's national sales, programme management and accredited installer network embedded within its Impact Partner Programme; and
- **Platform Acceleration:** ensuring disciplined governance, capital allocation and KPI-driven execution across the enlarged Group.

Since completion, JustHeat has been formally integrated into SMCC's curated product suite and is presented alongside broader energy, water and carbon efficiency solutions within partner-led programmes. The acquisition converts JustHeat from a product seeking distribution into a solution embedded within funded, compliance-driven procurement frameworks.

This integrated operating model is now translating into measurable commercial traction.

The Board is confident that the existing pipeline is now progressing through a structured, repeatable commercial model aligned to disciplined delivery and scalable execution.

A genuinely new revenue base

Group revenue for the 15-month period was £2.51m, of which £0.73m relates to continuing operations in the new Haydale business. This reflects the impact of deliberately discontinuing the non-core operations.

For JustHeat, the focus for FY25 was on proof of concept and delivery of reference installations, with the objective of building relationships with partners able to take the product to market alongside their own offerings or as the owners or

operators of larger property portfolios. This has led to formalised arrangements with:

- Interfloor, the largest European manufacturer of underlay, which has developed a flooring range compatible with JustHeat to be retailed through its existing sales channels; and
- NMC, one of Europe's largest suppliers of coving and skirting, with whom we are developing integrated JustHeat panel solutions.

The accounts largely represent paid product-development and early deployment work with JustHeat channel partners and customers. As the product standardises we expect a growing proportion of revenue to transition to product sales.

It is also notable that, of the revenue classified as continuing operations in FY25 and beyond, only one customer – Petronas, with whom our collaboration remains ongoing - represents a legacy commercial relationship. All other current revenue activity has been generated from customers, products and channels that did not exist for Haydale prior to the reset. This underpins the fact that continuing operations represent the emergence of a structurally new business model rather than a recovery of legacy activity.

Despite the strategic reduction in revenue during the reset, the Group maintained a 57% gross margin, with continuing operations delivering 63% gross margin, reflecting strong pricing and the quality of the underlying opportunity. Whilst the integration of SMCC introduces a broader mix of product and service revenue streams, the Board expects overall gross margins to remain robust. JustHeat remains a proprietary, differentiated product with strong pricing discipline, and SMCC's delivery model is designed to support scalable deployment without structurally diluting product economics. As volumes increase, the Group expects manufacturing efficiencies and procurement leverage to provide further support to margin resilience over time.

Financial discipline during the reset

The financial statements reflect a business in transition. They capture the economic cost of exiting the legacy model, including losses on disposal and impairment, alongside a cost base reset that was only fully achieved late in the period.

At the same time, the reset was executed with tight financial discipline. Working capital was released as inventories and receivables associated with discontinued operations were wound down. The balance sheet has been materially de-risked, with the elimination of overseas lease and pension liabilities and the removal of legacy goodwill and customer intangibles. Debt levels remain low and the post-period end fundraises and the conversion of the convertible loan notes have further strengthened the capital structure.

Staff

The upheaval and impact on our employees created by change of this magnitude cannot be underestimated. The executive team's ability to effect the necessary transformation during FY25 has only been possible thanks to the trust, resilience and commitment of the entire Haydale team under the leadership of the wider management group. I would like to thank them on behalf of the Board.

Momentum, milestones and outlook

The acquisition of SMCC marks the completion of Haydale's reset and the beginning of its execution phase.

The Group now combines proprietary, certified graphene-enabled products with an embedded national sales and delivery platform. This materially changes the commercial equation. JustHeat is no longer a product seeking distribution; it is a solution integrated within a partner-led sales process, with installation capability and delivery infrastructure already in place.

Since completion of the acquisition in January 2026, rapid integration has taken place and the integrated operating model described above is now translating into expanded commercial activity. JustHeat is now alongside SMCC's broader energy, water and carbon efficiency solutions as part of a unified decarbonisation offering, expanding the scope of existing commercial partnerships and increasing both the volume and quality of pipeline opportunities.

Revenue visibility has improved materially following integration, with fully contracted programmes covering the Board's H1 expectations and a qualified partner-led pipeline extending into H2 and beyond.

Importantly, multi-year programmes secured with SMCC Impact Partners and JustHeat customers underpin repeatable revenue streams extending beyond the current financial year, all contributing to what we anticipate being growing, quality earnings. This represents a structural improvement in revenue visibility and provides early evidence that the enlarged Group's commercial model is scaling as intended.

FY25 removed structural risk and rebuilt the operating model. FY26 is the first year of scaled commercial execution. The Group now operates with:

- A materially lower fixed cost base;
- Certified, commercially deployable proprietary products;
- Established national sales channels and installer capability; and
- Growing forward revenue visibility through contracted and partner-led programmes.

On this basis, and subject to normal execution and market conditions, the Board expects the enlarged Group to move to positive EBITDA within 12 months of the SMCC acquisition (Q1 FY27). Importantly, following the January 2026 fundraise, the Group is fully funded for this execution phase and does not anticipate the need for additional capital to support FY26 working capital or planned capital expenditure. Based on current forecasts and contracted revenue visibility, the Board expects existing cash resources and facilities to provide sufficient liquidity through the period to anticipated EBITDA breakeven.

The structural reset is complete. Execution is now the primary driver of value creation.

The new Haydale is structurally simpler, commercially aligned, and built to scale profitably.

Simon Turek

CEO

16 February 2026

CFO Report and Financial Review

The Financial Review should be read in conjunction with the consolidated financial statements of the Group and the notes thereto. The consolidated financial statements are presented under UK-adopted international accounting standards and are set out on pages 33 to 65. The financial statements of the Company continue to be prepared in accordance with FRS 101 and are set out on pages 66 to 72. These results do not reflect any period of SMCC ownership by the Group and, as regards trading performance reflect the largely transitional nature of the 15 month period to 30 September 2025 as more fully described above.

OVERVIEW

In the 15 month period under review, as more fully explained in the CEO report and following the November 2024 fund raise, the Group has undertaken significant change in its strategic direction, cost base and ongoing operations – all of which have progressively impacted the financial statements as the year has progressed. Discontinued operations reflect the divestment of all overseas entities and the consolidation of legacy Haydale UK activities into a single operational manufacturing site in Ammanford, Wales, resulting in the closure of Loughborough facility (which historically specialised in composites). Subsequent to the period end, the Group acquired SMCC, including its operational base in Bury St Edmunds. This facility supports the enlarged Group's sales, programme delivery and customer engagement activities and does not alter the consolidated UK manufacturing footprint established during the reset. As a result, we have exited the silicon carbide tooling business and focused our UK activities to concentrate on the core HDPlas® technology and our proprietary heater ink and thermal fluid based products, predominantly the JustHeat heating system range. This has been accompanied by a deep cost reduction exercise which reduced the Group's run-rate costs by 69% as at the end of the financial period, and has therefore, by necessity, meant we have had to focus and curtail non-essential activities and non-core revenue lines. Whilst the new business model is taking root, our more general functionalised graphene consultancy activities have been streamlined to service the larger opportunities with paying customers and move away from more speculative, long-term R&D type engagements. These changes are reflected in the much reduced continuing operations revenue numbers and fixed asset base set out in the balance sheet.

STATEMENT OF COMPREHENSIVE INCOME

The Group's total revenue for the 15 month period ended 30 September 2025 was £2.51 million (FY24: £4.82 million) of which £0.73m (FY24: £0.94m) reflects continuing operations primarily related to graphene based product development services and initial JustHeat trial installations; and £1.78m (FY24: £3.9m) of discontinued operations, predominantly related to our US based silicon carbide tooling business which ceased operations in March 2025. Revenue historically derived from

product sales was primarily related to the US silicon carbide tooling business and has fallen accordingly following disposal of that entity pending JustHeat sales being delivered at volume (See note 4, Segmental Analysis).

The Group's Gross Profit from continuing activities, which excludes Other Operating Income, was £0.46 million (FY24: £0.47 million) delivering a Gross Profit margin of 63% (FY24: 50%), a 13% increase on prior year reflecting a high proportion of project work. Discontinued operations generated a £0.97 million gross margin (FY24: £2.34 million).

Other Operating Income from continuing operations, which principally related to grant funded projects, was £0.13 million (FY24: £0.23 million) reflecting the winding down of a number of these initiatives as part of the refocus of the business toward the JustHeat product range.

Adjusted administrative expenses from continuing operations across the 15 months was £3.33 million (FY24: £3.21 million) representing a 17% reduction in the monthly operational cost base on a like-for-like basis and reflecting cost savings as the turnaround plan announced in December 2024 was progressively realised, albeit due to the effect of notice periods the full impact was not achieved until towards the end of the reporting period. Adjusted administrative expenses from discontinued operations reflect the costs of the overseas businesses until exited part way through the period.

The adjusted operating loss from continuing operations was £2.74 million (FY24: £2.51 million). Total administrative expenses from continuing operations for the 15 month period were £4.02 million (FY24: £3.88 million). The loss from discontinued operations was £5.44 million (FY24: £2.78 million) which includes the loss on disposal of subsidiaries of £3.34 million and £0.29 million (FY24: £1.23 million) of impairment charges associated with the restructuring.

The loss from continuing operations was £3.43 million (FY24: £3.18 million). Finance costs from continuing operations were £0.19 million (FY24: £0.20 million).

The Group continued to direct certain resources to research and development with the focus on products and processes that could develop into sustainable and profitable revenue streams. R&D spend for the period was £1.49 million (FY24: £1.39 million) of which £0.26 million was capitalised (FY24: £0.50 million) which all related to continuing operations. During the period the Group claimed R&D tax credits of £0.21 million (FY24: £0.24 million) and it is expected that this claim will be received during the current financial year.

Total comprehensive loss from continuing operations for the 15 month period was £3.42 million (FY24: £3.13 million). Total comprehensive loss for the period was £8.57 million (FY24: £5.80 million) which in FY25 included £3.63 million of one-off charges relating to loss on disposal of subsidiaries and impairment of intangible assets (FY24: £1.23m relating to impairment of intangible assets).

The total loss per share for the period was 0.3 pence (FY24: 0.4 pence) of which the loss per share relating to continuing operations was 0.1 pence (FY24: 0.2 pence).

STATEMENT OF FINANCIAL POSITION AND CASHFLOWS

As a result of the restructuring activities, the balance sheet has been simplified. As at 30 September 2025 and following the divestment of the overseas entities, net assets were £1.30 million (2024: £5.68 million), including cash balances of £1.68 million (2024: £1.72 million). Inventories and trade receivables are significantly reduced due to the disposal of the US entity and realignment of the UK activities resulting in non-cash related current assets standing at £1.17 million at the year-end (2024: £3.39 million). Current liabilities driven by trade creditors also reduced accordingly to £1.25 million (2024: £2.38 million).

The Right of Use Asset relating to leased assets decreased materially to £0.24 million (FY24: £1.79 million) due to the disposal of onerous leases within the US operations, continuing run out of lease obligations and closure of the Loughborough site. The Lease Liability, which is split between Current and Non-Current Liabilities, correspondingly decreased to £0.25 million (FY24: £2.01 million). The Company will amortise these balances over the remaining life of the leases.

The Group's US defined benefit Pension Obligations also fell away following disposal of the US business (FY24: £0.30 million).

Net cash outflow from operating activities after taking account of working capital movements for the period increased to £4.60 million (FY24: £3.36 million) reflecting the underlying Loss after Taxation after adjustment for non-cash items. The Group received an R&D tax credit inflow of £0.25 million in the period (FY24: £0.40 million). Net cash used in operating activities for the 15 month period increased to £4.35 million (FY24 £2.96 million).

Capital expenditure in the period, excluding the IFRS 16 adjustments, was £0.04 million (FY24: £0.02 million) reflecting a small investment in upgrading the manufacturing facility in Ammanford to support the scaling up of heater ink production.

CAPITAL STRUCTURE AND FUNDING

The post period end equity raises and conversion of convertible loan notes have further strengthened the Group's balance sheet. The Group's total borrowings at the period-end were £1.81 million (FY24: £1.41 million), of which £1.26 million relates to a loan from

UKRI to support the commercialisation of the functionalisation technology and the balance of £0.55m (2024: £nil) relates to a five year convertible loan note assumed as part of the November 2024 fund raise as noted above and which was fully converted post period end. The UKRI Innovation loan has a quarterly liquidity covenant with which the Group has been in full compliance through the reporting period. There are no financial covenants extant in respect of the UK bounceback loan of £0.01 million (FY24: £0.02 million).

The Group has taken advantage of the Company's rising share price to raise funds at progressively higher prices as the restructuring progressed:

- 14 November 2024: the Company raised £3.1 million (gross) through a £2.6m placing, retail offer and subscription of 1,960,633,907 new Ordinary Shares at 0.1326 pence per share and the issue of a £500,000 convertible loan note with a 10% coupon and 5 year tenor (which was converted into equity post period end).
- 13 March 2025: the Company raised £0.13 million (gross) through a £0.13m subscription of 89,849,106 new Ordinary Shares at 0.1458 pence per share.
- 26 June 2025: the Company raised £2.13 million (gross) through a placing and subscription of 474,010,883 new Ordinary Shares at 0.45 pence per share.

No options were exercised into ordinary shares during the year (FY24: nil). Consequently, at 30 September 2025 the Company had 4,322,955,947 ordinary shares in issue (2024: 1,798,462,051). As part of the November 2024 fund raise, the Company's share capital was restructured to in effect reduce the nominal value of each ordinary share from 0.1 pence to 0.01 pence.

Post year end, on 18 December 2025 the Company issued 417,883,894 shares in settlement of the Convertible Loan Note at a contractual issue price of 0.1326 pence per share. On 7 January 2026, the Company raised £5.75m (gross) through a placing, retail offer and subscription of 1,150,000,000 new Ordinary Shares at 0.5 pence per share. On 8 January 2026, the Company completed its acquisition of SMCC by the issue of 1,860,465,116 new Ordinary shares. A further 992,248,061 shares may be issued to the shareholders of SMCC if certain share price based performance targets are met.

As we said in December 2025 in conjunction with the SMCC acquisition and accompanying fundraise, the Board is aware that the number of Ordinary Shares in issue and resulting share price is unmanageable and therefore anticipates that it will in due course put proposals to Shareholders for a share consolidation with a view of creating a more manageable number of issued Ordinary Shares and a higher share price.

CFO Report and Financial Review (continued)

KEY PERFORMANCE INDICATORS

The Group has historically reported financial metrics of revenues, gross profit margin, adjusted operating loss, cash position and borrowings as its key performance indicators and these are set out below.

	<i>FY25 (£m)</i>	<i>FY24 (£m)</i>
Revenue	2.51	4.82
Gross profit margin	57%	58%
Adjusted operating loss	(4.02)	(3.16)
Cash position	1.68	1.72
Borrowings	1.82	1.41

During the period under review, management also used a UK sales tracker as a non-financial performance metric to monitor the revenue pipeline of the business. The sales tracker monitors the number of accredited leads and assigns a probability of revenue realisation to those leads.

RESTRUCTURED FOR GROWTH

The restructuring undertaken during the period was executed with a strong emphasis on capital discipline. Whilst the Group reported a significant loss for the period, this was to an extent driven by non-cash items associated with the disposal of discontinued operations and impairment of legacy assets. It also does not reflect the full year impact of the cost savings programme. The Group exited the period with a focused product orientated business model, a significantly simplified and de-risked balance sheet, a lower capital intensity operating model, and a cash position that supports the next phase of execution.

Patrick Carter

CFO

16 February 2026

Strategic Report

The directors present their Strategic Report for the period ended 30 September 2025.

STRATEGIC PURPOSE

Haydale plc is a global advanced materials and clean-technology company focused on developing and deploying energy- and water-efficient solutions at scale.

The completion of the acquisition of SMCC marks a step-change in Haydale's evolution, accelerating our transition from an advanced materials innovator into a commercially scalable, graphene-enabled clean-tech platform with immediate market access. Over the past year, we have fundamentally reshaped the Company into a focused, execution-led business, with proprietary graphene-enabled technologies now ready to scale.

By combining Haydale's advanced materials capability and JustHeat technology with SMCC's nationwide market-access engine and delivery infrastructure, we have created a scalable clean-tech platform designed to develop and deploy energy- and water-efficiency solutions rapidly, reliably, and at scale. The Group's strategy is now focused on scalable, compliance-driven markets where regulatory change and cost pressures are accelerating adoption.

The enlarged Group is uniquely positioned to help organisations cut energy and water costs while materially reducing carbon emissions.

PRINCIPAL ACTIVITIES

Following the restructuring (but pre-SMCC acquisition), Haydale had two principal activities:

- The development, manufacture and sale of its JustHeat™ range of heating products and super efficient thermal transfer fluids utilising its proprietary HDPlas® plasma functionalised graphene; and
- The plasma functionalisation of nanomaterials for selective third party applications through its patented HDPlas® process;

These activities are explained in more detail in the CEO's report on pages 3 to 5 above. All activities are based in the UK.

At 30 September 2025, the Group had the following operational activities across its single operational facility based in Ammanford, Wales.

<i>Haydale subsidiary</i>	<i>Location</i>	<i>Principal activities</i>
Haydale Technologies Ltd	Ammanford, Wales	Specialist plasma functionalisation and manufacturing facility producing inks, resins, fluids and masterbatches to be used in products principally retailed under the JustHeat brand.
Haydale Composite Solutions Limited	Ammanford, Wales	Provision of grant funded advanced materials consultancy services.

BUSINESS MODEL

The Group's business model (pre-SMCC acquisition) is based on the following revenue strands:

- Sale of JustHeat underfloor heating mats utilising Haydale's proprietary plasma functionalised graphene heater ink through a third party distributor model;
- Sale of products based on Haydale's proprietary plasma functionalised graphene heater ink that can be sold under the JustHeat brand with development funded by third party partners;
- Lease of bespoke plasma reactors with appropriate licencing for use of the patented HDPlas® functionalisation process for specific applications; and
- Support provided to third parties clients to enable the above activities.

Strategic Report *(continued)*

The Company aims to grow organically and, if necessary, by acquisition, to extend the Group's customer base and geographical penetration and use its existing expertise and leverage its partner base to generate commercial opportunities in the sustainable, energy efficient heating solutions market.

SECTION 172(1) STATEMENT

The Directors acknowledge their duty under s.172 of the Companies Act 2006 ("s.172") and consider that they have both individually and together acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in s.172.

The Directors have set out the ways in which they look to fulfil their duties in the year in section 4 of the Chair's Corporate Governance Statement on page 17.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board considers that the principal risks and uncertainties facing the Group (prior to the recent acquisition of the SMCC business) may be summarised as follows:

Failure to hit sales targets

While the Group is making every effort to establish distribution channels for its JustHeat and other products, these are disruptive technologies which, notwithstanding compelling reasons for adoption may take some time to become established in the market. As new products, there may also be unforeseen issues that need to be managed as feedback is received from early adopters. Sales for newly introduced product lines at this early period of market adoption are therefore difficult to forecast. The Group mitigates this risk through securing distributors and introducers with targeted sector or client contacts, pursuing strategic partnerships and establishing its own sales and installation capability and network. The focus on commercial product quality, sales and reputation are absolute priorities.

Scaling to meet demand

Whilst the Group has put measures in place to try and ensure it has the capacity to meet the JustHeat demand as its pipeline of opportunities are converted, there remains a risk that sales are secured for orders that cannot be met on a timely basis due principally to constraints in or issues with the Group's supply chain. The Company looks to mitigate that risk by holding finished goods in stock, maintaining good relationships with both its customers and supply chain and putting in place fallback manufacturing arrangements where possible.

The Company is also reliant on its supply chain to ensure that as demand grows, the product quality is maintained and continues to meet any regulatory requirements in the territories in which it is sold. The Company is continuing to spend significant time and resource within its own manufacturing facilities as well as investing in our critical supply chain to ensure that demand can be properly managed without loss of quality. The Company also

maintains rigorous quality controls, both on raw materials and finished products.

Cost of goods remains higher than target

There is a risk that cost of goods remain higher than target resulting in lower gross margin, putting at risk the goal of achieving profitability and cash self-sufficiency. To mitigate this, a cost optimisation programme with clear owners and deadlines focusing on key elements of production including silver ink usage (where there has been significant price volatility) is being implemented.

Critical mechanical failure

Whilst the Group is able to put in place secondary sourcing for the raw materials and manufacturing, the production of the proprietary heater ink that underpins the JustHeat product cannot currently be outsourced due to both the HDPlas® technology which is unique to Haydale and formulations that are treated as know-how. Mitigations have been put in place, as part of a disaster recovery plan, to ensure that there is sufficient stock of the graphene, plasma functionalised to meet the heater ink specification, stored in a separate location as to give sufficient time to bring on line alternative production facilities were there to be a mechanical failure or critical event at Haydale's own manufacturing facilities.

Information and Communications Technology ("ICT")

The inability to access data for a period of time either due to systems failures or the unauthorised intervention of malicious parties may severely impact the Group's ability to conduct its day-to-day business, lead to the loss of sensitive information or result in loss of funds in a ransomware attack. The Group aims to mitigate these threats by maintaining a third-party ICT support agreement with a respected contractor, ensuring industry standard cyber security procedures are followed, setting out clear internal procedures for communicating potential ICT breaches and by providing adequate staff training on the cyber security risk that all users face. In the event that these procedures are inadequate the Group maintains a business continuity plan with our service provider that covers longer term denial of access.

Dependence on key personnel

The Group's business, development and prospects are dependent upon the continued services and performance of its executive Directors and other key individuals with core skills and knowledge. The experience of the Group's personnel helps provide the Group with a competitive advantage. The Directors believe that the loss of services of any existing key executives or team members, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Group. The Group aims to mitigate this risk by providing well-structured and competitive reward and benefit packages that allow it to attract and retain key employees.

Health and Safety

Many of the Group's products are advanced materials that are nano in size and, although there is little actual evidence of any health risks associated with the handling of the Group's products, there is a theoretical risk that the Group's products could be a danger to health if an individual is exposed to and/or inhales/ingests some of the Group's products. The Group takes health and safety very seriously and manages the potential health and safety risk by regular staff training, well maintained facilities and restricting activities to only certain qualified individuals. The UK facilities are ISO 9001 and ISO 14001 accredited. Furthermore, the Company takes mental health of all staff very seriously, with all staff have access to several external and internal support programmes, which includes access to an employee assistance programme which provides staff with an anonymous support line. A detailed health and safety report is provided to the Board each month and is a standing agenda item at scheduled Board meetings.

By order of the Board

Gareth Kaminski-Cook

Chair

16 February 2026

Directors' Report

The directors present their report and the audited financial statements for Haydale Plc (the "Company"), a public company incorporated and registered in England and Wales with company number 07228939, and its subsidiaries (together the "Group") for the period ended 30 September 2025. The Company was formerly known as Haydale Graphene Industries Plc and changed its name with effect from 14 January 2026.

There are a number of items required to be included in the Directors' Report which are covered elsewhere in the annual report. Details of directors' remuneration and share options are given in the Directors' Remuneration Report, details of the use of financial instruments and financial risk management objectives and policies are given in note 23 of the financial statements and the CEO and CFO reports on pages 3 to 8 cover the following matters:

- Review of the Business and Future Developments;
- Post Balance Sheet Events; and
- Research and Development.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the strategic report, the directors' report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM market.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;
- State whether they have been prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006;
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dividends

The directors do not propose the payment of a dividend (2024: nil).

Directors

Except as stated below, the following directors have held office since 1 July 2024 and up to the date of signing the financial statements:

Simon Turek (appointed 21 November 2024)

Patrick Carter

Mark Sait (appointed 6 January 2026)

Keith Broadbent (resigned 13 November 2024)

Gareth Kaminski-Cook

Theresa Wallis

Jeremy Nesbitt (appointed 23 April 2025)

David Banks (resigned 13 November 2024)

Directors' Interests in Ordinary Shares

The directors had the following beneficial interests in ordinary shares of the Company at 30 September 2025:

Director	Number of Shares at 30 September 2025	% of Share Capital
Simon Turek*	274,760,172	6.36
Mark Sait	–	–
Patrick Carter	1,000,000	–
Theresa Wallis	13,332,658	0.31
Gareth Kaminski-Cook	11,350,726	0.26
Jeremy Nesbitt	–	–

* via holdings in Quidos Technology Limited

Directors' and Officers' Liability Insurance

Qualifying indemnity insurance cover has been arranged in respect of the personal liabilities which may be incurred by directors and officers of the Group during the course of their service with the Group. This insurance has been in place during the period and on the date of this report.

Foreign Currency Risk

The business is increasingly impacted by foreign currency risk, primarily USD, due to the manufacturing of its JustHeat products overseas. The Company is exploring means to minimise that exposure which to date has included maintaining USD bank accounts for settlement of USD denominated debtors and creditors together with trying to price supply chain contracts in GBP as far as possible.

Interest Rate, Credit and Liquidity Risk

The directors do not consider any of these potential risks to pose a significant risk to the Group or its operations over the coming year. See note 23, Financial Instruments, for further details.

Going Concern

The Directors have prepared and reviewed detailed financial forecasts for the Group, including cash flow projections covering the period from the date of approval of these financial statements to the end of September 2027. These forecasts are derived from the Group's latest operating plan and longer-term financial model, both of which are reviewed and updated regularly. In preparing these forecasts, the Directors have considered the principal risks and uncertainties disclosed on pages 10 to 11.

In January 2026, the Company completed a £5.75 million equity fundraise. As a result, the Group is funded in line with the Board's stated growth plans and has sufficient working capital to support its current operations and planned development activities. The Directors note that this position has been communicated to investors and underpins the Board's assessment of the Group's financial resilience. The forward plan is supported by continued growth in the SMCC business and the early commercial traction of the JustHeat product, where encouraging initial indicators are now evident. While recognising that the JustHeat product remains at an early stage of its lifecycle, the Directors consider the assumptions adopted in the forecasts to be reasonable and achievable.

The Directors have also considered the sensitivity of the forecasts to changes in revenue timing and cost assumptions, including reasonably possible downside scenarios. Given the uncertainties attached to bringing a new product to market under certain of these scenarios additional working capital may be required, the obtaining of which cannot be assured, toward the end of the review period. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company and Group's ability to continue as a going concern, and therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Report (continued)

The Directors believe that these above scenarios can be mitigated through actions within the Board's control, including the phasing of discretionary expenditure, operational cost management, prioritisation of revenue-generating activities, and the timing of investment in new initiatives. After due consideration of the forecasts, sensitivities, available mitigations, and the Group's cash resources following the January 2026 equity fundraise, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Independent auditors

The auditors have expressed their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

Statement by the Directors

The directors consider the annual report and accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Mark Heycock

Company Secretary

16 February 2026

Board of Directors

Brief biographies of each of the directors are set out below.

Gareth Kaminski-Cook, Non-Executive Chair

Gareth has 30 years' experience in market-leading industrial international organisations spanning a number of business sectors, including as Chief Executive Officer of Autins Group plc, a UK and continental Europe based industrial materials technology business and formerly the Director of a global division within Low & Bonar plc, a fully listed international performance materials group. He has also worked previously for Saint Gobain, Rexam, BPB and Danaher and lived and worked in Asia, the US and Europe, Gareth brings a deep understanding of the development, manufacture and commercialisation of material technologies across multiple industrial markets. Gareth is a former officer in the Corps of Royal Engineers and a Civil Engineering graduate from Birmingham University. He joined the board in January 2024. On 23 September 2025 Gareth was appointed as Chair of Mycelx Technologies Corporation plc, a clean water and clean air technology company listed on AIM.

Simon Turek, Chief Executive Officer

Simon joined the board in November 2024, initially as a non-executive director before being appointed as CEO in January 2025. With over 15 years of experience across environmental and financial markets, Simon has built a career at the intersection of sustainability, regulation, and investment. He has been instrumental in developing carbon market infrastructure and climate-finance platforms, including as former Chair and Managing Director of PNZ Carbon, a leading carbon project developer. His background also spans international financial markets, having served as an Executive Director at the Chicago Mercantile Exchange (CME) Group, where he led international government relations and policy engagement.

Patrick Carter, Chief Financial Officer

Patrick joined Haydale as CFO in June 2023. He is a qualified Chartered Accountant and Barrister and brings significant commercial experience to the role. Prior to joining the Company, Patrick has had over 20 years' experience as CFO across a range of relevant business sectors with a number of AIM listed and private equity backed international businesses undergoing change. Before that he worked for Deloitte.

Mark Sait, Chief Commercial Officer

Mark was appointed to the Board following the acquisition of Intelligent Resource Management Limited (trading as "SaveMoneyCutCarbon") in January 2026. He combines hands-on experience with leadership that drives businesses from start-up to scale. As Founder and CEO of SaveMoneyCutCarbon, Mark built a B2B platform helping organisations save money through sustainability. A member of the Unreasonable Impact global sustainability CEO network, Mark is a recognised voice on Net Zero and the energy transition, regularly featured by the BBC, The Times, Forbes, and other major media. Mark was previously the founder and an executive director of iBAHN EMEA.

Theresa Wallis, Non-Executive Director

Theresa Wallis worked for the London Stock Exchange for 13 years, where from 1995 to 2001 she was COO of AIM from 1995 to 2001, having managed the market's development and launch. From 2001 to 2006 she was a principal executive of ANGLE plc, a venture management and consulting business focusing on the commercialisation of technology. Since 2001 she has held a number of non-executive directorships, including LiDCO Group plc where she was non-executive chair, Veriton Pharma Ltd and the Quoted Companies Alliance. Prior to joining the LSE, she worked for Hambros Bank and then Canadian Imperial Bank of Commerce in London. Theresa brings a range of corporate governance, business development, financial and commercialisation experience to the Company. She joined the Board in June 2020.

Jeremy Nesbitt, Non-Executive Director

Jeremy brings over 40 years' experience in the energy sector, including senior leadership roles at National Grid and as Managing Director of Affordable Warmth Solutions, where he secured and oversaw the deployment of over £160 million to support energy efficiency in low-income homes. His background in regulated utilities, strategic programme delivery, and public-private partnerships will be invaluable as Haydale advances the roll-out of its energy-efficient heating technology. Jeremy joined the Haydale Board in April 2025.

Chair's Corporate Governance Statement

Overview

As Chair of the Board of Directors of the Group, it is my responsibility to ensure that Haydale has both sound corporate governance and an effective Board. Haydale adopts the Quoted Companies Alliance Corporate Governance Code (2023) ("QCA Code") and this report follows its structure and explains how we have applied it. The principal methods of communicating our application of the QCA Code are this Annual Report and through our website at www.haydale.com.

Below are the Company's explanations of how it has complied with the 10 principles of the QCA Code during the period to 30 September 2025.

QCA principles

1. *Establish a strategy and business model which promotes long-term value for shareholders*

The Group's purpose, business model and strategy, together with the principal risks and uncertainties facing the Group, are set out in the Strategic Report on pages 9 to 11 of this Annual Report. The directors intend that the strategy will deliver medium and long-term shareholder returns initially through capital appreciation and eventually through distributions via dividends. The Group's values and culture underpin its approach to growth and are addressed in Principle 2.

2. *Promote a corporate culture that is based on ethical values and behaviours*

The Board recognises that its decisions will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave.

The Company strives towards a shared culture that supports an open and respectful dialogue with employees, clients and other stakeholders, and is underpinned by sound ethical values and behaviours. The events during the first six months of the period and arrival of new management has led to a culture of increased commercial focus, disciplined execution and cost awareness, together with clear and relevant communication and collaboration across the Company (see also Principle 4). During the period the management team reviewed the Company's values and these were discussed by the Board. The Company's culture is reinforced at regular team meetings and performance reviews which, amongst other areas, cover sales, marketing, technical, quality and health and safety matters. Employees and non-executive directors are required to undertake training in matters relevant to the Company's culture. The Board monitors the corporate culture through reports from the CEO and the Company's Head of People and Culture (see also the explanations regarding Principle 4 below) and an employee values survey was conducted during the period.

The Company has implemented a quality system based on the rigorous standards of BS EN ISO 9001 and 14001 and adherence to this quality system is mandatory throughout the Company. All employees are encouraged to take responsibility for the quality of their own workmanship and to work with their colleagues towards maintaining our ISO standards.

To ensure we meet the high standards and culture that we set ourselves employees are formally appraised each year and clear personal objectives are set out within personal development plans. Individual training needs are defined by these reviews and this training is combined with wider department and group training initiatives. New employees receive an induction and there is a comprehensive employee handbook setting out Company policies and procedures and other helpful information and guidance.

The Board attaches great importance to the health and safety of its employees and stakeholders who handle or use the Group's products. Health and safety is a standing item on the Board's agenda, with reports reviewed by the Board at each scheduled board meeting. The Company's Health and Safety policy and site plans are enforced rigorously.

3. *Seek to understand and meet shareholder needs and expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders.

The directors meet shareholders and other investors or potential investors during the year, especially following the announcement of the Annual and Interim Results. The Company also presents to broker and analyst. The website provides contact details for investor relations enquiries and in support of the CEO, Simon Turek, Gareth Kaminski-Cook is the director appointed as the main point of contact for shareholder liaison.

The Company intends to have close ongoing relationships with its larger private shareholders, institutional shareholders and analysts and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company receives quarterly share register analysis reports from Argus Vickers to facilitate management of these relationships. When possible, the whole Board attends the Company's Annual General Meeting ("AGM"), which is regarded as an opportunity to meet, listen and present to shareholders, all of whom are encouraged to attend. The Company held its 2024 AGM on 30 December 2024 ("2024 AGM"). As with recent AGMs, provision was made to allow those shareholders who were unable to attend the AGM to ask questions of the directors by email as well as submit their votes in advance by proxy. The outcomes of each of the AGM votes are announced following the meeting. If there is a resolution passed at a general meeting with a significant number of votes against, the Board engages with the relevant shareholders, where possible, to understand the reason for the result and, where appropriate, takes suitable action.

Topics discussed with shareholders during shareholder engagement activities in the year included presentation of the new commercial focused strategy and explanation of all cost reductions, description of the composition of the Board and their collective skills, presentation of the JustHeat product and the rationale to launch such a product versus established competitor alternatives, funding requirements and shareholder appetite to support fund raising and level of support for the growth strategy. Feedback from these meetings are usually fed back to the whole Board for consideration and discussion and subsequently influenced.

With effect from completion of the fund raise in November 2024 the Company and strategic investor Quidos Technologies Ltd ("Quidos") entered into a Relationship Agreement which was subsequently updated following the acquisition of SMCC in January 2026. In particular, for so long as Quidos continues to hold Ordinary Shares representing in excess of 7.5 per cent of the issued share capital of the Company: Quidos has the right to nominate and appoint a director of the Board; and will ensure that the Company is capable at all times of carrying on its business independently of Quidos (together with any associates and/or persons with whom it is acting in concert) and that transactions between the parties are on arms' length terms and on a normal commercial basis. Simon Turek was appointed to the board in November 2024 as Quidos' representative.

The Company does not as yet publish quantitative and qualitative reports on the company's environmental and social matters and investors have not as yet expressed expectations of such reports (see also Principle 4).

Cavendish as the Company's broker and nominated advisor regularly briefed and kept the Company apprised of market and regulatory developments as they affect the Company and feedback from shareholders and potential investors. Investor feedback is communicated via the brokers to the Board.

4. *Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success*

The Board is mindful of its statutory duty under s.172 of the Companies Act and the directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its shareholders as a whole, and in doing so, had regard amongst other matters to the:

- foreseeable or likely consequences of any decision in the long term;
- interests of the Company's employees at each of its five facilities;
- need to foster the Company's business relationships with suppliers, customers and other stakeholders;
- impact of the Company's operations on the community and the environment;
- importance of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board recognises the Company is reliant upon the efforts of the employees of the Company and other stakeholders whether they are identified under s.172 or not. The Board ensures that there is close oversight and contact with its key resources and relationships by various means. The Company's stakeholders include employees, customers, collaboration partners and distributors, suppliers, including producers of graphene and suppliers of other constituents and components of our products and equipment, R&D facilities (including universities and academic institutions) and influential movers within the advanced materials industry who may positively influence perception of the Company. The following paragraphs set out how we engage with our stakeholders.

Chair's Corporate Governance Statement

(continued)

Everyone within the Group is a valued member of the team, and we seek to help employees achieve their full potential. The Company aims to create a culture that encourages and values diversity and that appoints, rewards, and promotes staff based on merit. We are committed to providing equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. Health and safety remains a priority, and appropriate protocols are maintained at our sites. The Company is still of a size where the executive directors know all of the team and employees are aware that they are able to contact the senior leadership directly to ask questions on any topic that concerns them. The Company also holds regular all staff forums to allow views and suggestions to be aired.

The Group has continued to invest in staff training to ensure that employees have the skills to meet their responsibilities as part of a modern international operation including specific focus on health and safety related training. The Company's Employee Handbook includes a whistleblowing policy (See Audit Committee Report on page 27).

The Company prepares a detailed budget annually which takes into account the Group's strategy and its available key resources including staffing, working capital, production capacity and functionalisation capabilities. In-depth analysis and reviews inform the development of the Company's annual budget. Subsequently, the ongoing review of performance against the budget facilitates an on-going dialogue on the goals, targets and aspirations of the Company. This two-way communication provides the opportunity to raise issues and provide feedback to the Board via the executive members. These feedback processes seek to ensure that the Company can respond to new issues and opportunities that arise to further the success of the Group.

The Company has close on-going relationships with a broad range of its other stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. This feedback is generally but not exclusively received through formal performance reviews (employees) and meetings held in the ordinary course of business with external stakeholders. Feedback received is reviewed and appropriate actions taken. The Company communicates with its stakeholders and takes account of their feedback with a view to develop products that meet the needs of customers and that may potentially be supplied reliably, cost effectively and in line with applicable standards.

The Group promotes, wherever possible, an environmentally sound policy in all of its work, but always takes into account the considerable pressures of budget, commercial constraints and client requirements. Its Environmental Policy is set out in the Employee Handbook and the organisation has implemented an environmental management system, which complies with the requirements of BS EN ISO 14001. Haydale's proprietary HDPlas[®] process that sits behind all of our innovation is a world leading green technology that removes the needs for harmful surfactants and effluent streams in the functionalisation of advanced materials. The Company's purpose includes focusing on developing and deploying energy- and water-efficient solutions at scale.

Given the Company's early stage of development and limited resources, and its recent strategic changes and focus on turning the business around and the stringent cost control required to achieve this, it has yet to conduct a review of the environmental and social issues relevant to its purpose, strategy and business model and does not yet track any KPIs relevant to these. The Board is mindful to address this at the earliest practical opportunity.

5. *Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation*

The Board supported by the Audit Committee oversees and reviews the Group's risk management and internal control mechanisms. Risk is discussed at board meetings as part of its business planning discussions.

The Company has established reporting and control mechanisms. The system of internal control is structured around the risks set out in the risk register and is designed to address those risks that are considered to be material. Key features of how the Company has embedded effective risk management and internal control and assurance systems in order to execute and deliver on the corporate purpose and strategy include the following:

- Close management of the business by the executive directors;
- Monthly management accounts information is prepared and reviewed by the Board, including variances against the annual budget, latest expectations, market guidance issued by the Company's brokers and prior year;
- Risk is considered as part of the management team's development of strategic plans and board decisions. Staff are encouraged to communicate any risks they identify to management.

- A risk register is maintained and reviewed regularly
- There is a schedule of matters reserved for decision by the Board;
- A clearly defined organisational structure was in place during the year, with clearly delegated authorities, reporting lines and roles;
- Defined levels/limits for authorisation of expenditure and placing of orders and clearly set out authorisation procedures; and
- Quality management systems are implemented and regularly audited by an independent third party. The operations are ISO 9001:2015 and ISO 14001:2015 certified.

The Company's risk register sets out the identified risks and the key actions, controls and processes to mitigate those risks and the individual or group responsible for ensuring that these are performed. The register underwent substantial revision shortly before the period-end, to reflect the Company's changes to strategy and disposal of overseas subsidiaries following the November 2024 fund raise and board changes.

The risk register review process is led by the Chief Financial Officer and involves the review of risks identified by employees, management, the audit committee and board, their assessment to determine the relative likelihood of them impacting the business and the potential severity of the impact and determination of what needs to be done to minimise their likelihood and/or mitigate their impact.

The principal risks and uncertainties to the business and steps to mitigate them are set out in the Strategic Report in this Annual Report on pages 10 to 11.

The Audit Committee Report on page 27 sets out how the Audit Committee monitors and formally considers auditor independence.

6. *Establish and maintain the Board as a well-functioning, balanced team led by the Chair*

The Board underwent significant change during the year upon completion of the fundraising in November 2024, with David Banks and Keith Broadbent leaving the board at that time, Simon Turek joining the board as a non-executive director initially representing strategic investor Quidos Technologies Ltd (see also Principle 3) and Gareth Kaminski-Cook being appointed interim Executive Chair, until 1 January 2025, when Mr Turek was appointed CEO having led the business review and design of the new strategy. Subsequently in April 2025, Jeremy Nesbitt, a director of Quidos Ltd, joined the board as a non-executive director,

The directors who served during the year are set out below:

Executives:

- Chief Executive Officer: Simon Turek (appointed 1 January 2025 as CEO)
Keith Broadbent (resigned 13 November 2024)
- Chief Financial Officer: Patrick Carter;

Non-executives:

- Non-executive Chair: Gareth Kaminski-Cook*;
- Non-executive: Theresa Wallis*;
- Non-executive: Jeremy Nesbitt (appointed 23 April 2025); and
- Non-Executive Chair: David Banks* (resigned 13 November 2025)

* - Independent

In summary, at the period-end and at the time of publication of this report the Board comprised two executive directors and three non-executive directors, two of whom are independent. As stated in the Remuneration Report on page 24, the non-executive directors were awarded warrants in lieu of accrued non-executive director fees between 1 April and 31 December 2025 and for additional work undertaken in respect of the acquisition and fundraising. The intention to do this conditional on completion of the proposals was set out in the circular to shareholders dated 15 December 2025.

Chair's Corporate Governance Statement

(continued)

The Company believes that between them the directors have an appropriate breadth and depth of skills, knowledge and experience to fulfil their roles, reflecting a broad range of personal, commercial and professional skills across relevant sectors and geographies and experience of public markets. Information regarding the current directors' experience and areas of expertise and relevant skills that each director brings to the Board are outlined on page 15 of this Annual Report and on the Company's website at www.haydale.com.

All the non-executive directors are expected to devote such time as is necessary for the proper performance of their duties regarding the Company, at least 24 days per annum. The executive directors are full time.

Senior management may also be invited to meet with the Board, providing further insights into the Company's activities and performance. Regular board meetings are scheduled in advance, but the Board also meets as and when required. In order to be efficient, the directors meet formally and informally in person, by video conferencing or telephone. Board papers are prepared by the relevant personnel and where feasible circulated to the Board at least 48 hours before meetings, allowing time for consideration before the meetings.

The non-executive directors speak with each other by phone or meet online or in person without the presence of the executive directors during the year, and also maintain ongoing communications with executives between Board meetings.

During the period ended 30 September 2025, the Company held 51 board meetings (FY24: 28), with each member's attendance as follows:

Director	Number of board meetings attended			
	Scheduled FY25	Ad hoc FY25	Total FY25	Total FY24
Gareth Kaminski-Cook	10/10	41/41	51/51	8/8
Simon Turek	8/8	25/25	33/33	–
Theresa Wallis	10/10	40/41	50/51	27/28
Patrick Carter	10/10	41/41	51/51	26/28
Jeremy Nesbitt	4/4	7/10	11/14	–
David Banks	2/2	14/15	16/17	28/28
Keith Broadbent	2/2	9/15	11/17	27/28
Graham Eves	–	–	–	17/19

The Board delegates certain duties and, where applicable, authority, to an audit, remuneration and nomination Committees. During the earlier part of the year the Committees comprised independent non-executive directors only, and from November 2024 a majority of independent non-executive directors, and met independently of Board meetings.

Terms of reference for each of the Board's Committees are published on the Group's website (<https://www.haydale-ir.com/corporate/corporate-governance>). The Company believes that the Committees have the necessary skills and knowledge to discharge their duties effectively. Attendance at the Company's audit, remuneration and nomination committee meetings during FY25 and the prior year was as follows:

Committee member	Number of committee meetings attended					
	Audit		Remuneration		Nomination	
	FY25	FY24	FY25	FY24	FY25	FY24
Gareth Kaminski-Cook	3/3	1/2	1/1	1/3	1/1	–
Theresa Wallis	3/3	3/3	1/1	8/8	1/1	3/3
Simon Turek	1/1	–	–	–	–	–
Jeremy Nesbitt	1/1	–	1/1	–	–	–
David Banks	–	3/3	–	8/8	–	3/3
Graham Eves	–	1/1	–	6/6	–	3/3

Details of the Remuneration Committee and Audit Committee are set out in their separate reports on pages 24 to 26 and page 27 respectively.

The Nomination Committee has responsibility for evaluating the structure, size and composition of the Board in order to ensure a suitable balance of experience, knowledge, skills and independence and diversity, as well as for recommending to the Board the appointment of executive and non-executive directors.

At the period-end and currently, the Nomination Committee had three members, Gareth Kaminski-Cook (Chair), Jeremy Nesbitt (from April 2025) and Theresa Wallis. David Banks chaired the Committee until his resignation from the board in November 2024. Simon Turek was a member of the Committee from his appointment to the board in November 2024 until his transition to CEO on 1 January 2025.

The process for board appointments includes preparing a job description, person specification and remuneration benchmarking that is reviewed by the Nomination Committee, having identified the skills and experience that are required. Members of the Committee interview candidates, who also meet relevant executives. Searches are conducted either through search firms or through the Company's network and references or recommendations are obtained.

The Committee met once during the period in relation to the appointment of Simon Turek as Chief Executive Officer and Jeremy Nesbitt as a non-executive director. The Committee considered the skills and experience of the existing board members and those that were required and a description of the role and capabilities was prepared and reviewed.

As with many small companies, due to financial constraints and limited human resources, internal opportunities for succession to Board director roles are more limited.

Given the strategic change of direction over the past year and the recent fund raise, acquisition of SMCC and shareholders' general meeting last month, together with the existence of shareholder agreements that include director appointment rights, the Board has determined that it would be inappropriate for all directors to submit themselves for re-election at this time and the Company will follow its previous practice of annually re-election a third of the Board as a minimum, with a maximum of three year for individual Directors, and with all new Directors in the year put forward for re-election.

Chair's Corporate Governance Statement

(continued)

7. *Maintain appropriate governance structures and ensure that between them the directors have the necessary up-to-date experience, skills and capabilities*

The Chair is responsible for the leadership and effectiveness of the Board in all aspects of its role. He is also responsible for creating the right Board dynamic and for ensuring that all important matters receive adequate time and attention at Board meetings. He is also the director appointed as the main point of contact for shareholder liaison. The CEO is responsible for the day-to-day running of the business as well as developing corporate strategy.

The non-executive directors' responsibilities include constructively challenging the recommendations of executive management and monitoring performance.

The Board has adopted appropriate delegations of authority which sets out matters which are reserved to the Board as summarised below:

- The Group's strategy and vision;
- Determining management's performance;
- Board membership and membership of subsidiary boards;
- Approval of major capital expenditure;
- Financial reporting, risk management and internal controls;
- Material contracts, including potential acquisitions multi-year commercial contracts or investments in new projects or products;
- Corporate governance;
- Approval of annual budgets;
- Approval of annual and interim reports;
- Approval of changes in equity or debt funding; and
- Dividend recommendations and policy.

The Board delegates certain duties and, where applicable, authority, to the Audit Committee, Remuneration Committee and Nomination Committee. (See Principle 6).

Most regular board meetings take place at the Company's Ammanford headquarters, enabling non-executive directors to meet non-board employees. The Company develops non-executive directors' knowledge of the business by taking them around the production facilities from time to time and directing them to information about its products and the sector. All non-executive directors are required to complete online training courses relating to key company policies, including cyber-security.

If required, the directors are entitled to take independent professional advice at the Company's expense in accordance with the relevant Board agreed procedure.

Directors access briefings, updates and events offered by a number of professional advisory firms and bodies.

8. *Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

The Chair performs a continuous assessment of the individual and collective performance of the Board in an informal and collegiate way through dialogue and meetings. No formal evaluation was undertaken in the period. The Chair will consider undertaking a formal evaluation of the board towards the end of 2026 once the integration of SMCC into the Group has been completed. The last formal board evaluation took place in FY2022 and FY2023 and is described in the annual reports for those years. Due to cost and time constraints given the Company's small size and developments since November 2024, no externally facilitated review has yet been performed and there are no plans to do so.

Making recommendations relating to board succession planning is one of the responsibilities of the Nomination Committee. Below the main Board, the CEO seeks board approval for his recommendations on changes to the directors of subsidiary companies and senior management.

9. *Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.*

The remit of the Remuneration Committee is primarily to ensure that the Company's executive directors are provided with appropriate remuneration packages. More information about this committee is provided in the Remuneration Committee's Report, which includes the Remuneration Policy, and is set out on pages 24 to 26.

10. *Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders*

As stated in relation to Principle 3, the Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. We communicate through our Interim and Annual Reports along with Regulatory News Service announcements. We also use the Company's website for both financial and general news relevant to shareholders. The Company's AGM results are available to view on the Company's website and all resolutions tabled at the Company's 2024 AGM were passed. The Executive team often host prospective and existing shareholders at the Ammanford site.

All historical annual reports, investor presentations and other governance-related materials, including notices of all general meetings for at least the last five years are available on the Company's website.

Communication with key stakeholders is addressed at Principle 4.

Chris Shaw (private investor) and Nicholas Pritchard (strategic investor) have attended board meetings as observers since March and July 2025 respectively.

The Company keeps in mind the proportions of direct, nominee and institutional shareholders, and distributes communications accordingly.

Investors also have access to the latest information about the Group which is set out on the Company's website at www.haydale.com. The Company uses electronic communications with shareholders, where possible, to maximise efficiency.

By order of the Board

Gareth Kaminski-Cook

Chair

16 February 2026

Directors' Remuneration Report

REMUNERATION COMMITTEE

The Company's remuneration policy for executive directors is the responsibility of the Remuneration Committee.

The remit of the Committee is primarily to ensure that the Company's executive directors are provided with appropriate remuneration packages. The Remuneration Committee terms of reference require it to determine remuneration packages needed to attract, retain and motivate executives of the quality required (but to avoid paying more than is necessary for this purpose) and to ensure that performance related elements of remuneration are designed to support alignment with the long-term interests of shareholders and to give such executives incentives to perform at the highest levels. The Committee reviews the performance of the executive directors and considers matters relating to their terms of employment and remuneration, including short term bonus and long-term equity-based incentives. The Remuneration Committee considers the granting of share options pursuant to the Company's share option schemes. The full terms of reference of the Remuneration Committee are set out on the website at www.haydale.com

The Committee currently comprises all three non-executive directors of the Company, namely Gareth Kaminski-Cook (chaired the Committee until January 2026) and Theresa Wallis, who are independent, and Jeremy Nesbitt, who is not independent and joined the Committee following his appointment to the board in April 2025. David Banks (independent) chaired the Committee until November 2024 and Simon Turek was a member of the Committee from his appointment to the board in November until his transition to CEO on 1 January 2025. Jeremy Nesbitt assumed the Chair of the Committee in January 2026.

Under the terms of reference of the Remuneration Committee, the remuneration of the Company's non-executive directors (including the chair of the Board, if a non-executive) is a matter for the Board. The Remuneration Committee meets at least twice a year, with additional and meetings as and when required. The Committee met once during the year in order to consider the grant of options to the executive directors in August 2025 relating to salary sacrifices (see below).

Remuneration policy

The remuneration policy is designed to attract, retain and motivate the Group's executives and designated senior management. This consists of a basic salary, pension, ancillary benefits including life assurance and other performance-related remuneration such as bonus and share options appropriate to their individual responsibilities (having regard to the remuneration levels of comparable posts), and to ensure that performance related elements of remuneration are designed to support alignment with the long-term interests of shareholders and give such executives incentives to perform at the highest levels.

In light of the significant changes in the scale and direction of the business post year end, the remuneration policy appropriate for its current stage is currently under development.

Salary sacrifice

In order to conserve cash during this turnaround phase, senior management agreed salary sacrifices of 20% of salary for the period 1 June 2025 to 30 November 2025. All other employees agreed to sacrifice 10% of their salaries from 1 June to 30 September 2025. Similarly, the non-executive directors waived their fees from 1 April 2025 until 31 December 2025.

Equity Based Incentive Schemes

The Remuneration Committee believes that equity-based incentive schemes provide a strong incentive for retaining and attracting high calibre individuals. The terms of the Share Option scheme were last updated in January 2024 to align with the advice taken from KPMG's reward team to help ensure that the package served to reward and retain executive directors and staff across the Group whilst balancing this with the interests of shareholders.

Whilst no new incentive orientated options were granted in the year, options were granted to all staff to provide a recognition for salaries waived as part of the costs cutting initiatives implemented during the period. In total 36,439,568 options were granted on 7 August 2025 to employees proportional to salary foregone which will vest on 30 June 2026 provided the recipient is still employed by the Group. Options to senior management have an exercise price of 0.45 pence, being the price of the last fund raise. Options granted to other staff members have an exercise price of 0.58 pence, being the market price at the time of issue. Full details of the principal conditions and performance requirements of the grants are set out in the RNS announcements dated 8 August 2025 which can be found on the Company's website at www.haydale.com.

DIRECTORS' INTERESTS IN SHARE OPTIONS

The interests of directors of the Company in options over ordinary shares at the period-end were as follows:

Director	Number EMI Options	Date of Grant	First Exercise Date	Exercise Price	Expiry Date
Simon Turek	4,444,426	7 August 2025	30 June 2026	0.45p	7 August 2035
Patrick Carter	10,000,000	25 January 2024	25 January 2026	0.50p	25 January 2034
Patrick Carter	20,000,000	25 January 2024	25 January 2027	0.50p	25 January 2034
Patrick Carter	6,444,426	7 August 2025	30 June 2026	0.45p	7 August 2035

No options were exercised by the directors during the year under review.

The mid-market closing price of the Company's ordinary shares at 30 September 2025 was 0.55p (30 June 2024: 0.30p). During the period to 30 September 2024, the mid-market closing price ranged from 0.11p to 0.90p (Year to 30 June 2024: 0.30p to 1.33p).

DIRECTORS' CONTRACTS

The executive directors have service contracts with the period of notice being three to six months. The non-executive directors have a letter of engagement which provides for a one month notice period.

DIRECTORS' REMUNERATION

The aggregate remuneration received by directors who served during the 15 month period ended 30 September 2025 and the year ended 30 June 2024 was as follows:

£'000	15 month period ended 30 September 2025					Year ended June 2024		
	Salary/Fee	Benefits	Total exc. pension	Pension	Total inc. pension	Total exc. pension	Pension	Total inc. pension
<i>Executive Directors</i>								
S Turek	73	7	80	5	85	–	–	–
P Carter	163	15	178	19	197	157	8	165
K Broadbent	83	5	88	15	103	253	21	274
G Kaminski-Cook	22	–	22	–	22	15	–	15
D Banks	20	–	20	–	20	58	–	58
T Wallis	18	–	18	–	18	30	–	30
J Nesbitt	–	–	–	–	–	–	–	–
G Eves	–	–	–	–	–	15	–	15
R Howard	–	–	–	–	–	3	–	3
	379	27	406	39	445	531	29	560

Post period end events

Subsequent to the period end, in January 2026, and in compensation for waiving their fees from 1 April to 31 December 2025 a total of 42,344,019 warrants were issued to the Non-Exec Directors at an exercise price of 0.645 pence. subject to the share price achieving 1.290 pence within 2 years of the SMCC acquisition (see Principle 6 of the Chair's Corporate Governance statement).

Directors' Remuneration Report *(continued)*

42,405,854 share options were issued to the Executive Directors at an exercise price of 0.645 pence upon the same terms as those above granted to the non-executive directors. A further 58,194,828 share options were issued to the Executive Directors as nominal priced options (0.01 pence) pursuant to a Long Term Incentive Plan. Details were set out in the Circular to shareholders dated 15 December 2025 and in the RNS announcement dated 9 January 2026.

In line with the QCA Code, this Remuneration Report will be put to an advisory shareholder vote at the 2026 Annual General Meeting.

By order of the Board

Gareth Kaminski-Cook

Chair

16 February 2026

Audit Committee Report

The Committee currently comprises all three non-executive directors of the Company, the majority of whom are independent. Members of the Committee are Gareth Kaminski-Cook and Theresa Wallis (Chair), who are independent, and Jeremy Nesbitt, who is not independent and joined the Committee following his appointment to the Board in April 2025. David Banks (independent) was a member of the Committee until November 2024 and Simon Turek was a member of the Committee from his appointment to the Board in November 2024 until his transition to CEO on 1 January 2025.

The Committee's terms of reference can be found on the Company's website.

During the financial year the Committee met three times, as follows:

- In November 2024 to consider the draft report and accounts for the year ended 30 June 2024, including the key judgements, estimates and risks including revenue recognition, impairment of the US subsidiary's intangibles (goodwill), the consequent impairment of the parent company's investments in subsidiaries and of its intercompany debtors, and going concern assessment for the Group. In doing so the Committee reviewed the feedback from the auditors (Crowe UK LLP) as set out in their draft Audit Findings Report, as well as approving the independence of the auditors and their fees.
- In February 2025 to consider the draft interim results and going concern assessment.
- In June 2025 to consider the audit planning report for the Group for the FY25 audit prepared by Crowe UK LLP. The Committee reviewed the independence of the auditors and confirmed their independence, having taken account of Crowe's confirmation that they comply with the FRC Ethical Standard for Auditors, and that, in their professional judgment, they are independent of the Company. The 15 month period to September 2025 is Crowe's fourth year of acting as auditors having been appointed in 2022 following a tender process, and they have provided no non-audit services to the Group. The Committee considered the arrangements to enable employees to raise concerns in confidence and appropriate actions to be taken ('whistleblowing policy') and its communication across the Company and noted that no matters were raised under the policy during the year. It also considered that given the Company's current size and stage an internal audit function would not be appropriate.

The Audit Committee also met with the auditors after the period-end, in February 2026 prior to the approval of the annual report and heard from them regarding their audit findings and observations, this included discussion on going concern, Company's control environment, revenue recognition, and disposal of overseas subsidiaries. The Committee reviewed the draft annual report during this meeting, as well as the risk register and principal risks.

At the November 2024 and February 2026 meetings, a discussion took place between the Audit Committee and the auditors without management being present.

Theresa Wallis

Non-Executive Director and Chair of the Audit Committee

16 February 2026

Independent Auditor's Report to the Members of Haydale Plc

Opinion

We have audited the financial statements of Haydale plc (the "Parent Company") and its subsidiaries (the "Group") for the 15-month period ended 30 September 2025, which comprise:

- the consolidated statement of comprehensive income for the 15-month period ended 30 September 2025;
- the consolidated statement of financial position and parent company balance sheet as at 30 September 2025;
- the consolidated and parent company statements of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2025 and of the Group's loss for the 15-month period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that given the uncertainties attached to bringing a new product to market additional working capital may be required, the obtaining of which cannot be assured, toward the end of the review period. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have highlighted going concern as a key audit matter due to the estimates and judgements the directors are required to make in their going concern assessment, and their effect on our audit strategy. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing directors' cashflow projections for the going concern assessment period;
- Checking the mathematical accuracy of the cashflow projections and agreeing opening positions used;
- Assessing directors' ability to forecast accurately by comparing approved budgets to actual results;
- Challenging directors on the assumptions underlying the cashflow projections, including reviewing evidence of the sales pipeline, and considering whether these are consistent with our understanding of the business obtained during the audit;

- Agreeing cash raised post year end from the recently concluded equity fundraise;
- Reviewing the severe, but plausible downside scenario, and challenging directors on the assumptions applied;
- Reviewing mitigating actions that could be taken by directors to conserve cash;
- Assessing the completeness and accuracy of the disclosures made on going concern in the annual report and financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £200,000 (2024: £250,000), based on 4% (2024: 5%) of the Group's loss before tax adjusted for non-recurring items relating to loss on disposal of subsidiaries and impairment of assets. Materiality for the Parent Company financial statements as a whole was set at £46,000 (2024: £150,000) based on 1% of the Parent Company's total assets before recognition of impairment of amounts owed by group companies.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £140,000 (2024: £175,000) for the group and £32,000 (2024: £105,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,000 (2024: £12,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements.

The Group operates through the Parent Company based in the UK whose main function is the incurring of administrative costs and providing funding to the operating entities. In addition to the Parent Company, we identified Haydale Ltd and Haydale Ceramic Technologies LLC that are subject to full scope audit. Specified procedures on higher risk audit areas were performed for Haydale Composite Solutions Limited. The other group entities were subject to analytical review procedures. At the Group level we audited the consolidation process, including consolidation adjustments, intra-group eliminations and the consistency of application of accounting policies.

All audit work was performed by the same team at Crowe U.K. LLP.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Haydale Plc (continued)

We set out below, together with the material uncertainty related to going concern above, those matters we considered to be key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter

How the scope of our audit addressed the key audit matter

Accounting and disclosure requirements for the disposal of overseas entities – Group (see note 5)

During the period and following a strategic review of the group, the directors decided to divest its loss-making overseas entities. The US business entered into Chapter 11 bankruptcy proceedings and was placed into administration and liquidation pursuant to a court process overseen by an appointed trustee. In addition, the group also divested its subsidiary offices in South Korea and Thailand. The disposal of these overseas entities resulted in a loss on disposal of £3.3m and their results were presented as discontinued operation in accordance with IFRS 5.

This transaction is significant due to the risk of error in the appropriate accounting involving a loss on disposal and the relevant presentation and disclosure as discontinued operation.

We performed the following procedures as part of our audit:

- Obtained an understanding of the process and key controls relating to the disposal.
- Evaluated management's assessment of whether the operation met the criteria for discontinued operations under IFRS 5.
- Obtained and reviewed the documents pertaining to the completion of the sale transaction, including the signed sale and purchase agreement (SPA) and board approvals.
- Performed audit procedures on the pre-disposal profit and loss transactions and cash flows, and of the financial position as at the date of disposal.
- Performed audit procedures on the loss on disposal calculation, including agreeing any consideration to the SPA and bank statements.
- Performed audit procedures to assess the completeness and accuracy of any potential continuing obligations on the group after the disposal date, including reviewing the SPA for contractual liabilities and performing cut off procedures.
- Assessed the technical accounting treatment of the disposal and the adequacy of the related disclosures for the discontinued operations. This included the presentation between the loss for the year and the loss on disposal is correctly stated.

Impairment of investments in subsidiaries and intercompany debtors – Parent Company (see notes 6 and 7)

The Parent Company holds investments and intercompany debtor balances with its subsidiary undertakings. Following the disposal of the overseas entities, the investment and intercompany balances relating to these entities have been fully written down during the period. An additional £1.2m provision was recognised against the intercompany balance due from the UK subsidiary in the current period. The assessment of impairment in relation to investments in subsidiaries and intercompany debtor balances involve significant judgements and estimates. We considered the risk that the investments and intercompany debtors were impaired due to the losses incurred in the year.

We performed the following procedures as part of our audit:

- Obtained an understanding of the process and key controls relating to the impairment assessment.
- Discussed with management how they identified and evaluated impairment indicators in accordance with IAS 36.
- Evaluated the recoverability of investment and intercompany balances by assessing the financial performance and position of subsidiaries, including review of latest management accounts and net asset position.
- Reviewed the completeness and accuracy of the disclosures included in the financial statements.

*Key audit matter***Revenue recognition – Group (see note 4)**

The Group has various revenue streams where revenue recognition policy varies depending on the underlying contract which could result in revenue being recognised at a point in time and over time.

We considered there is increased risk around cut off due to the nature of the Group's revenue from material sales on when the customer obtains control of the goods. As such, we consider this to be a key audit matter.

How the scope of our audit addressed the key audit matter

We performed the following procedures as part of our audit of revenue:

- Obtained an understanding of the process and key controls relevant to each revenue stream. We also assessed the design and implementation of key controls over revenue recognition.
- We tested a sample of revenue items and confirmed that the revenue recognition criteria have been met by agreeing to supporting documentation, including sales invoices, delivery notes and cash receipts.
- We tested cut off of revenue by agreeing a sample of revenue transactions around the year end to supporting evidence such as delivery notes and contractual terms, ensuring that revenue is recognised in the correct accounting period.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Haydale Plc (continued)

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Understanding the principal legal and regulatory frameworks relevant to the Group, these included the requirements of the Companies Act 2006, laws relating to taxation and health and safety;
- Making enquiries of management and other personnel regarding their knowledge of any actual, suspected or alleged fraud;
- Performing substantive audit procedures in areas of significant audit risk, including revenue recognition;
- Performing specific testing on journal transactions with a focus on those journals, which, in our opinion, displayed higher risk characteristics; and
- Considering accounting estimates, both individually and in aggregate, and reporting to the Audit Committee our view of the judgements made by management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass

(Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

16 February 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 15 month period ended 30 September 2025

		Continuing 15 month period ended 30 Sept 2025 £'000	Discontinued 15 month period ended 30 Sept 2025 £'000	Total 15 month period ended 30 Sept 2025 £'000	Continuing Year ended 30 June 2024 £'000	Discontinued Year ended 30 June 2024 £'000	Total Year ended 30 June 2024 £'000
REVENUE	4	726	1,779	2,505	939	3,881	4,820
Cost of sales		(269)	(805)	(1,074)	(469)	(1,539)	(2,008)
Gross profit		457	974	1,431	470	2,342	2,812
Other operating income	6	133	134	267	234	142	376
Adjusted administrative expenses		(3,333)	(2,380)	(5,713)	(3,211)	(3,135)	(6,346)
Adjusted operating loss		(2,743)	(1,272)	(4,015)	(2,507)	(651)	(3,158)
Adjusting administrative items:							
Share based payment income		107	173	280	(25)	–	(25)
Depreciation and amortisation		(795)	(717)	(1,512)	(644)	(870)	(1,514)
Loss on disposal of subsidiaries		–	(3,335)	(3,335)	–	–	–
Restructure costs		–	–	–	–	(34)	(34)
Impairment		–	(290)	(290)	–	(1,227)	(1,227)
		(688)	(4,169)	(4,857)	(669)	(2,131)	(2,800)
Total administrative expenses		(4,021)	(6,549)	(10,570)	(3,880)	(5,266)	(9,146)
LOSS FROM OPERATIONS		(3,431)	(5,441)	(8,872)	(3,176)	(2,782)	(5,958)
Finance costs		(192)	(118)	(310)	(198)	(195)	(393)
LOSS BEFORE TAXATION	7	(3,623)	(5,559)	(9,182)	(3,374)	(2,977)	(6,351)
Taxation	9	207			241		
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(3,416)			(3,133)		
Loss for the period from discontinued operations						(2,977)	
LOSS FOR THE PERIOD FROM OPERATIONS		(8,975)			(6,110)		
Other comprehensive income on discontinued activities:							
<i>Items that may be reclassified to profit or loss:</i>							
Exchange differences on translation of foreign operations		301			52		
<i>Items that will not be reclassified to profit or loss:</i>							
Remeasurements of defined benefit pension schemes		101			261		
TOTAL COMPREHENSIVE LOSS FOR THE YEAR FROM OPERATIONS		(8,573)			(5,797)		
Owners of the parent		(8,975)			(6,110)		
Total comprehensive loss attributable to:		(8,573)			(5,797)		
Owners of the parent		(8,573)			(5,797)		
Loss per share attributable to:							
Owners of the Parent							
Basic (pence)	10	(0.10)	(0.20)	(0.30)	(0.20)	(0.20)	(0.40)
Diluted (pence)	10	(0.10)	(0.20)	(0.30)	(0.20)	(0.20)	(0.40)

The notes from pages 37 to 65 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

Company Registration No. 07228939

	Note	30 September 2025 £'000	30 June 2024 £'000
ASSETS			
Non-current assets			
Intangible assets	11	827	1,338
Property, plant and equipment	12	690	4,867
		1,517	6,205
Current assets			
Inventories	13	375	1,670
Trade receivables	14	333	1,088
Other receivables	15	252	376
Corporation tax	15	208	251
Cash and bank balances		1,680	1,717
		2,848	5,102
TOTAL ASSETS		4,365	11,307
LIABILITIES			
Non-current liabilities			
Bank loans	21	(1,660)	(1,392)
Pension obligation	26	–	(304)
Other payables	20	(155)	(1,558)
		(1,815)	(3,254)
Current liabilities			
Bank loans	21	(156)	(14)
Trade and other payables	20	(918)	(2,186)
Deferred income	16	(173)	(178)
		(1,247)	(2,378)
TOTAL LIABILITIES		(3,062)	(5,632)
TOTAL NET ASSETS		1,303	5,675
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Share capital	17	16,982	16,730
Share premium account	17	39,603	35,374
Share-based payment reserve		128	408
Foreign exchange reserve		–	(301)
Retained losses		(55,410)	(46,536)
TOTAL EQUITY		1,303	5,675

The financial statements on pages 33 to 65 were approved and authorised for issue by the Board of directors on 16 February 2026 and signed on its behalf by:

Simon Turek
Chief Executive Office

Patrick Carter
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 15 month period ended 30 September 2025

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Foreign exchange reserve £'000	Retained losses £'000	Total equity £'000
At 30 June 2023	15,717	31,912	833	(353)	(41,137)	6,972
Comprehensive loss for the year						
Loss for the year	–	–	–	–	(6,110)	(6,110)
Other comprehensive income	–	–	–	52	261	313
	15,717	31,912	833	(301)	(46,986)	1,175
Contributions by and distributions to owners						
Recognition of share-based payments	–	–	25	–	–	25
Share based payment charges – lapsed warrants	–	–	(450)	–	450	–
Issue of ordinary share capital	1,013	4,050	–	–	–	5,063
Share Issue cost	–	(588)	–	–	–	(588)
	16,730	35,374	408	(301)	(46,536)	5,675
At 30 June 2024	16,730	35,374	408	(301)	(46,536)	5,675
Comprehensive loss for the period						
Loss for the 15 month period	–	–	–	–	(8,975)	(8,975)
Other comprehensive income	–	–	–	301	101	402
	16,730	35,374	408	–	(55,410)	(2,898)
Recognition of share-based payments	–	–	(280)	–	–	(280)
Issue of ordinary share capital	252	4,610	–	–	–	4,862
Share issue cost	–	(381)	–	–	–	(381)
	16,982	39,603	128	–	(55,410)	1,303
At 30 September 2025	16,982	39,603	128	–	(55,410)	1,303

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 15 month period ended 30 September 2025

		15 month period ended 30 September 2025 £'000	Year ended 30 June 2024 £'000
Cash flow from operating activities			
Loss after taxation		(8,975)	(6,110)
<i>Adjustments for:-</i>			
Amortisation and impairment of intangible assets	11	761	1,614
Depreciation and impairment of property, plant and equipment	12	1,041	1,128
Share-based payment charge	18	(280)	25
Finance costs		310	393
Pension: employer contribution	26	(27)	(161)
Loss on disposal of subsidiaries		3,335	–
Taxation		(207)	(241)
Operating cash flow before working capital changes		(4,042)	(3,352)
(Increase)/decrease in inventories		(252)	63
(Increase) in trade and other receivables		(217)	(454)
(Decrease)/increase in payables and deferred income		(88)	383
Cash used in operations		(4,599)	(3,360)
Income tax received		250	397
Net cash used in operating activities		(4,349)	(2,963)
Cash flow used in investing activities			
Purchase of plant and equipment		(36)	(16)
Purchase of intangible assets		(250)	(503)
Net cash used in investing activities		(286)	(519)
Cash flow from financing activities			
Finance costs		(65)	(174)
Finance costs – lease liability		(75)	(95)
Additional borrowing		500	42
Payment of lease liability		(146)	(446)
Proceeds from issue of share capital	17	4,862	5,063
Share capital issues costs	17	(381)	(588)
Repayments of borrowings	29	(86)	(10)
Net cash flow from financing activities		4,609	3,792
Net (decrease)/increase in cash and cash equivalents		(26)	310
Effects of exchange rates changes		(11)	29
Cash and cash equivalents at beginning of the financial year		1,717	1,378
Cash and cash equivalents at end of the financial period		1,680	1,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 15 month period ended 30 September 2025

1. Accounting policies

Basis of preparation

The Group consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (collectively "IFRSs") and with the requirements of the Companies Act 2006.

The Group's financial statements have been prepared under the historical cost convention except for pension obligation which is measured at the present value of future benefits that the employees earn for services provided less fair value of plan assets.

These financial statements have been prepared for the extended financial period from 30 June to 30 September as the Company changed its financial year-end from 30 June 2025 to 30 September 2025. Accordingly, the comparative figures, which cover the year to 30 June 2024, are not directly comparable.

The consolidated financial statements are presented in sterling amounts.

Amounts are rounded to the nearest thousands, unless otherwise stated.

Under Section 479A of the Companies Act 2006, exemptions from an audit of the accounts for the financial period ended 30 September 2025 have been taken by Haydale Technologies Limited (04790862) and Haydale Composite Solutions Limited (02675462). As required, the Company guarantees all outstanding liabilities to which the subsidiary companies listed above are subject at the end of the financial year, until they are satisfied in full and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies listed above is liable in respect of those liabilities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the reporting date. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investee to use its power to affect the variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. All intra-group transactions, balances, income and expenditure are eliminated on consolidation. The consolidated financial statements have been prepared using the acquisition method of accounting.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined, and these values are reflected in the Consolidated Financial Information. The cost of acquisitions is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Haydale Graphene Industries Group in exchange for control of the acquisition. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised, but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition-related costs are expensed as incurred.

Going concern

The Directors have prepared and reviewed detailed financial forecasts for the Group, including cash flow projections covering the period from the date of approval of these financial statements to the end of September 2027. These forecasts are derived from the Group's latest operating plan and longer-term financial model, both of which are reviewed and updated regularly. In preparing these forecasts, the Directors have considered the principal risks and uncertainties disclosed on pages 10 to 11.

In January 2026, the Company completed a £5.75 million equity fundraise. As a result, the Group is funded in line with the Board's stated growth plans and has sufficient working capital to support its current operations and planned development activities. The Directors note that this position has been communicated to investors and underpins the Board's assessment of the Group's financial resilience. The forward plan is supported by continued growth in the SMCC business and the early commercial traction of the JustHeat product, where encouraging initial indicators are now evident. While recognising that the JustHeat product remains at an early stage of its lifecycle, the Directors consider the assumptions adopted in the forecasts to be reasonable and achievable.

The Directors have also considered the sensitivity of the forecasts to changes in revenue timing and cost assumptions, including reasonably possible downside scenarios. Given the uncertainties attached to bringing a new product to market under certain of these scenarios additional working capital may be required, the obtaining of which cannot be assured, toward the end of the review period. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company and Group's ability to continue as a going concern, and therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. Accounting policies (continued)

The Directors believe that these above scenarios can be mitigated through actions within the Board's control, including the phasing of discretionary expenditure, operational cost management, prioritisation of revenue-generating activities, and the timing of investment in new initiatives. After due consideration of the forecasts, sensitivities, available mitigations, and the Group's cash resources following the January 2026 equity fundraise, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. Changes in accounting policies

New standards and interpretation not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2025 reporting periods and have not been early adopted by the Group. None of these are expected to have a material impact on the Group in the current or future period and on foreseeable future transaction.

3. Summary of material accounting policies

a) Intangible assets

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity within the Group can demonstrate all of the following:-

- i) its ability to measure reliably the expenditure attributable to the asset under development;
- ii) the product or process is technically and commercially feasible;
- iii) its future economic benefits are probable;
- iv) its ability to use or sell the developed asset;
- v) the availability of adequate technical, financial and other resources to complete the asset under development; and
- vi) its intention to use or sell the developed asset.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense will not be restated as an asset in a subsequent period.

Historic capitalised development expenditure is amortised on a straight-line basis over a period of up to 20 years when the products or services are ready for use. The maximum 20 years amortisation period is based on UK Patents being 20 years from the date of filing of the application, under Article 60 of the European Patent Convention, and, although the Group now has patents granted in other jurisdictions, the directors believe that 20 years is appropriate. New projects will be reviewed on completion, to determine the useful economic life. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount. Amortisation is included within administrative expenses.

Acquired intangible assets

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably. Acquired intangible assets (excluding development expenditure which is in line with the above policy), including customer relationships, are amortised through the Consolidated Statement of Comprehensive Income on a straight-line basis over their estimated economic lives of ten years.

Goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is a fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

b) Impairment of goodwill and other non-financial assets

The carrying value of goodwill, and the cash-generating unit to which it relates, is reviewed at the end of each reporting period for impairment regardless of whether there is an indication that the asset may be impaired. Other non-financial assets are considered for indicators of impairment at each reporting date and full impairment reviews carried out if indicators of impairment exist. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow. An impairment loss is recognised in administrative expenses within the Statement of Comprehensive Income immediately it is identified.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

c) Revenue

To determine whether to recognise revenue, the Group follows a five step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue arises mainly as:

i) Goods

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue is recognised at the point where control is considered to pass to the customer when all performance obligations have been fulfilled. In all instances the transaction price is agreed with the customer prior to transfer of goods on a stand-alone basis.

ii) Services

Engineering design and research revenue is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The Group recognises revenue over time based upon the percentage of completion method, whereby the stage of completion is determined based on the proportion of contract costs incurred compared to total estimated costs. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone prices.

At each reporting period, receivables are recognised for revenues yet to be invoiced or settled to the extent that it is highly probable that there will not be a significant reversal of the amounts accrued in the future.

Where invoices are raised to the client in excess of the value of the consideration recognised as revenue based on the stage of completion, deferred income balances are recorded that represent unfulfilled performance obligations. These performance obligations are expected to be fulfilled within a year of the reporting date.

d) Financial instruments*i) Financial assets*

Financial assets and financial liabilities are recognised in the Group balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent re-measurement depends on the group's business model for managing the financial asset and its cash flow characteristics. The Group has financial assets in the categories of amortised cost only. The Group does not have financial assets at fair value through other comprehensive income or fair value through profit or loss. Detailed disclosures are set out in note 23.

3. Summary of material accounting policies (continued)

ii) *Amortised cost*

These assets arise principally from the provision of goods and services to customers (such as trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value once the Group's right to consideration is unconditional and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, such provisions are recorded in a separate provision account with the loss being recognised in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

iii) *Financial liabilities*

Financial liabilities are comprised of trade and other payables, borrowings and other short-term monetary liabilities, which are recognised at amortised cost.

Trade payables, other payables and other short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

e) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purpose are:-

Leasehold improvements	10-20% per annum straight line
Plant and machinery	15-33% per annum straight line
US Plant and machinery	Time in use
Furniture and fittings	20-33% per annum straight line
Motor vehicles	33% per annum straight line

Under the depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the Statement of Comprehensive Income within administrative expenses.

f) Income taxes

The charge for taxation is based on the profit or loss for the period and takes into account deferred taxation.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted by the balance sheet date. The substantively enacted rate has been used for deferred tax balances, which are recognised in respect of all timing differences that have been originated but not reversed by the reporting date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The Group receives research and development tax credits for the work it performs in the field of nano-technology. Using the SME and large company schemes, these credits generate cash reimbursement in exchange for the sacrifice of applicable losses, such tax credits are recognised in income tax within the Statement of Comprehensive Income, in the period in which they relate.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have maturities of 3 months or less from inception.

h) Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost represents materials, direct labour, other direct costs and related production overheads, and is determined on the First-In-First-Out (FIFO) method. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for slow-moving, obsolete and defective inventories where appropriate.

The value of inventories used in the fulfilment of commercial or developmental programmes are charged to cost of sales in the Statement of Comprehensive Income on an accruals basis, with some costs for ongoing projects being held as WIP at the year end prior to being charged to cost of sales.

i) Employee benefits

i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

ii) Defined contribution plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

iii) Defined Benefit Pension plans

The group accounts for its defined benefit pension scheme (transferred out of the business during the period) such that the net pension scheme position is reported on the balance sheet with actuarial gains and losses being recognised through the statement of comprehensive income. A number of key assumptions have been made in calculating the fair value of the Group's defined benefit pension scheme which affect the balance sheet position and the group's reserves and income statement for the period ended 30 September 2024 and the half year to 31 December 2025. Refer to note 26 of the notes to the consolidated accounts for a summary of the main assumptions and sensitivities. Actual outcomes may differ materially from the assumptions used and may result in volatility in the net pension scheme position.

During the reporting period, the sponsoring entity entered administration, resulting in the disposal of the Group's defined benefit pension scheme. The disposal constituted a settlement of the defined benefit obligation, as the Group no longer has a legal or constructive obligation to provide benefits under the scheme.

3. Summary of material accounting policies (continued)

j) Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

k) Government grants

Revenue grants are accounted for under the accruals model, with grants being recognised within Other operating income on a systematic basis over the period in which the group recognised the related costs for which the grant is intended to compensate. Grants received in advance of the income being recognised in the Statement of Comprehensive Income are included in grant creditors.

When grant income is received for capital expenditure, it is held as deferred income on the balance sheet and released on a straight line basis over the useful economic life of the asset to which it relates. All income relating to government grants is included as 'Other operating income' within the Statement of Comprehensive Income.

l) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 18 to the Consolidated Financial Statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

m) Leases

Leased assets

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets all three key criteria which are whether;

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of lease as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payment made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payment unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payment made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance to the fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

n) Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

Overseas operations which have a functional currency different to the group presentation currency have been translated using the monthly average exchange rate for consolidation into the statement of comprehensive income. The amounts included in the group statement of financial position, have been translated at the exchange rate ruling at the statement date. All resulting exchange differences are reported in other comprehensive income.

o) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Group to exercise their judgement in the process of applying the accounting policies which are detailed below. These judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of non-financial assets (judgement and estimate)

The carrying value of goodwill, and the cash generating units (CGUs) to which it relates, is assessed annually for impairment through comparing the recoverable amount to the CGU's carrying value. The value in use calculations require estimates in relation to uncertain items, including management's expectations of future revenue growth, operating costs, profit margins, operating cashflows and the discount rate applied.

Future cash flows used in the value in use calculations are based on our latest longer term projections reviewed by the Board. Expectations about future growth reflect expectations of growth in the markets applicable to the Group. The future cashflows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money. The discount rate used is adjusted for the specific risk to the group, including the countries to which cash flows will be generated. Further details are included in note 10, including sensitivity analysis.

Useful economic lives of tangible and intangible assets (judgement)

The annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amounts of the property plant and equipment, and the depreciation accounting policy for the useful economic lives for each class of assets.

Share Based Payments (judgement and estimate)

The costs of the share-based payments plans (and warrant plans) are determined on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, for which the characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgments, like the estimated expected life of the equity instrument and the volatility. The judgments made and the model used are further specified in note 18.

R&D Capitalisation (judgement)

The capitalisation of development expenditures involves management judgement against criteria set in IAS 38. Management reviewed the methodology used to capitalise development costs and satisfied itself that it was in conformity with IFRS.

3. Summary of material accounting policies (continued)

p) Alternative Performance Measures

Disclosure has been adjusted in the Statement of Comprehensive Income. Adjusted Administrative expenses have excluded the following non-cash and other non-recurring items, share based payment charges, impairment charges, depreciation and amortisation, and restructuring costs. We believe removing these balances better reflects the underlying trading performance of the Group and provides more meaningful information to the user of the Financial Statements as aligned to management's internal KPI's. This additional disclosure is a non-GAAP measure and may not be comparable with similarly described amounts in other entities.

q) Discontinued Operations

The Group classifies a component of the business as a discontinued operation when it represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of such a line of business or geographical area.

4. Segment analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which is the Chief Executive Officer and Chief Financial Officer) as defined in IFRS 8, in order to allocate resources to the segment and to assess its performance.

For management purposes, the Group is organised into the following reportable regions:

- UK & Europe (focusing on functionalisation of nano materials, high performance ink & master batches, elastomers and the composites market in Europe);
- North America (focusing on SiC & blank products for tooling); and
- Asia Pacific (focusing on sales to the Asian markets)

2025

	Continuing Adjustments,		Discontinued			Total Consolidated £'000
	UK & Europe £'000	Central & Eliminations £'000	North America £'000	Asia Pacific £'000	UK & Europe £'000	
REVENUE	726	–	1,465	22	292	2,505
Cost of sales	(269)	–	(583)	(17)	(205)	(1,074)
Gross profit	457	–	882	5	87	1,431
Other operating income	133	–	–	–	134	267
Adjusted administrative expenses	(1,710)	(1,623)	(1,796)	(124)	(460)	(5,713)
Adjusted operating loss	(1,120)	(1,623)	(914)	(119)	(239)	(4,015)
Administrative expenses						
Share based payment expense	107	–	122	5	46	280
Depreciation & amortisation	(761)	(34)	(530)	(9)	(178)	(1,512)
Impairment cost	–	–	–	–	(290)	(290)
Loss on disposal of subsidiaries	–	–	(3,190)	(145)	–	(3,335)
	(654)	(34)	(3,598)	(149)	(422)	(4,857)
Total administrative expenses	(2,364)	(1,657)	(5,394)	(273)	(882)	(10,570)
OPERATING LOSS	(1,774)	(1,657)	(4,512)	(268)	(661)	(8,872)
Finance costs	(192)	–	(118)	–	–	(310)
LOSS BEFORE TAXATION	(1,966)	(1,657)	(4,630)	(268)	(661)	(9,182)
Taxation	207	–	–	–	–	207
LOSS AFTER TAXATION	(1,759)	(1,657)	(4,630)	(268)	(661)	(8,975)
Additions to non-current assets	435	–	–	–	50	485
Segment assets	2,716	1,649	–	–	–	4,365
Segment liabilities	(2,290)	(772)	–	–	–	(3,062)

2024

	Continuing		Discontinued			Total Consolidated £'000
	UK & Europe £'000	Adjustments, Central & Eliminations £'000	North America £'000	Asia Pacific £'000	UK & Europe £'000	
REVENUE	939	–	3,294	151	436	4,820
Cost of sales	(469)	–	(1,209)	(77)	(253)	(2,008)
Gross profit	470	–	2,085	74	183	2,812
Other operating income	234	–	–	–	142	376
Adjusted administrative expenses	(1,335)	(1,876)	(2,016)	(292)	(827)	(6,346)
Adjusted operating loss	(631)	(1,876)	69	(218)	(502)	(3,158)
Administrative expenses						
Share based payment expense	(35)	10	(21)	(2)	23	(25)
Depreciation & amortisation	(517)	(127)	(658)	(27)	(185)	(1,514)
Restructuring cost	–	–	–	(18)	(16)	(34)
Impairment cost	–	–	(1,227)	–	–	(1,227)
	(552)	(117)	(1,906)	(47)	(178)	(2,800)
Total administrative expenses	(1,887)	(1,993)	(3,922)	(339)	(1,005)	(9,146)
OPERATING LOSS	(1,183)	(1,993)	(1,837)	(265)	(680)	(5,958)
Finance costs	(198)	–	(195)	–	–	(393)
LOSS BEFORE TAXATION	(1,381)	(1,993)	(2,032)	(265)	(680)	(6,351)
Taxation	207	–	–	–	–	241
LOSS AFTER TAXATION	(1,174)	(1,993)	(2,032)	(265)	(680)	(6,110)
Additions to non-current assets	650	–	6	25	–	681
Segment assets	3,958	1,215	5,904	230	–	11,307
Segment liabilities	(2,527)	(337)	(2,699)	(69)	–	(5,632)

Geographical information

All revenues of the Group are derived from its principal activities as set out on page 9. The Group's revenue from external customers by geographical location are detailed below.

	Continued	Discontinued	Total	2024 £'000
	2025 £'000	2025 £'000	2025 £'000	
By destination				
United Kingdom	375	163	538	965
Europe	21	153	174	128
United States of America	8	1,117	1,125	2,135
China	2	116	118	261
Thailand	–	5	5	66
South Korea	–	17	17	84
Japan	–	204	204	901
Rest of the World	320	4	324	280
	726	1,779	2,505	4,820

During 2025, £0.47 million (19%) (2024: £1.23 million (26%)) of the Group's revenue depended on a single customer as part of the discounted operations. During 2025 £0.24 million (10%) (2024: £0.90 million (19%)) of the Group's revenue depended on a second single customer.

4. Segment analysis (continued)

All amounts shown as other operating income within the Statement of Comprehensive Income are generated within and from the United Kingdom, EU and the US. These amounts include income earned as part of a number of grant funded projects in the United Kingdom and EU.

Dis-aggregation of revenues

The split of revenue by type:

	Continued 2025 £'000	Discontinued 2025 £'000	Total 2025 £'000	Total 2024 £'000
Services	519	97	616	899
Reactor rental	61	–	61	124
Products (Goods)	146	1,682	1,828	3,797
	726	1,779	2,505	4,820

Continued - 2025

	UK & Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Services	519	–	–	519
Reactor rental	61	–	–	61
Products (Goods)	146	–	–	146
	726	–	–	726

Discontinued - 2025

	UK & Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Services	97	–	–	97
Products (Goods)	195	1,465	22	1,682
	292	1,465	22	1,779

Total - 2025

	UK & Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Services	615	–	–	615
Reactor rental	61	–	–	61
Products (Goods)	342	1,465	22	1,829
	1,018	1,465	22	2,505

2024

	UK & Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Services	878	–	21	899
Reactor rental	124	–	–	124
Products (Goods)	373	3,294	130	3,797
	1,375	3,294	151	4,820

Services and reactor rental revenues are recognised over time, whereas goods and reactor sales are recognised at a point in time.

5. Discontinued Operations

As announced in December 2024 and following a strategic review, the Board determined to divest its loss making overseas entities.

US Silicon Carbide Tooling

Over the last few years, the Group had strategically repositioned its US operations by expanding focus from silicon carbide (“SiC”) powder sales to the manufacture and distribution of advanced cutting tools. This transition aimed to enhance value by moving up the supply chain and capitalising on the growing demand in sectors such as aerospace and automotive.

Despite these strategic initiatives, the expected growth in the Group's US operations did not materialise. It became clear to the reconstituted Board that the previous management team's confidence in the US business' ability to convert the pipeline on a timely basis was overly optimistic and not reflective of the Group's operational preparedness or knowledge of market conditions. Despite efforts to improve the performance of the US business, the Board expected the US business to remain loss-making beyond FY25 and concluded that rapid divestment or closure of these operations was in the best interests of the Company and its shareholders. During the period the Board placed the US operation into Chapter 11 Sub section V bankruptcy proceedings as the best means to maximise value for creditors of that entity through the sale of the trading company's assets through a competitive auction process at the end of which, the trading company, was placed into administration and is now being liquidated pursuant to a court process overseen by an appointed trustee. The sale proceeds from the auction of \$683,600 were received directly by the administrator and form part of the assets to be distributed to creditors of that entity. As a related party, the Company does not expect to receive any proceeds from the distribution.

Asia Sales Operations

In addition to the US operation divestment, the Group divested non-core assets, including the subsidiary office in South Korea and Thailand. These actions will streamline operations and enable the reallocation of resources to high-growth areas.

Discontinued Activity Cashflow

	2025 £'000	2024 £'000
Net cash used in operating activities	607	36
Net cash used in investing activities	(6)	(25)
Net cashflow from financing activities	(77)	(248)

Details of disposal of subsidiary

	2025 £'000
Consideration received	–
Carrying value of net assets sold	(2,846)
Loss on sale before income tax and reclassification of foreign current	(2,846)
Reclassification of foreign currency translation reserve	(489)
	<u>(3,335)</u>

The carrying amount of assets and liabilities as at the disposal dates were:

	2025 £'000
Tangible fixed assets	3,149
Trade receivables	350
Inventories	1,548
Cash	666
Other Debtors	80
Total assets	<u><u>5,793</u></u>

5. Discontinued Operations (continued)

	2025 £'000
Trade payables	(814)
Other creditors	(158)
Bank and other loans	(352)
Right-of-use Liability	(1,416)
Defined benefit pension	(207)
Total liability	(2,947)
Net assets	2,846

6. Other Operating Income

	2025 £'000	2024 £'000
Grant Income	267	376
	267	376

Grant income was received in support of certain research and development activity. There are no unfulfilled conditions attached to the above income.

7. Loss before taxation

Loss before taxation is arrived at after charging:

	2025 £'000	2024 £'000
Amortisation of intangibles	471	387
Impairment of intangible	290	1,227
Depreciation of property, plant and equipment	1,041	1,128
Foreign Exchange	56	52
Restructuring costs	–	34

R&D spend for the period was £1.49 million (FY24: £1.39 million) of which £0.26 million was capitalised (FY24: £0.50 million).
The service fees of the Group's auditor, Crowe U.K. LLP are analysed below:

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for the audit of the Group's financial statements	83	65

There are no other fees payable to the Company's auditors and its associates for other services (2024: £Nil).

8. Employees

The average number of employees during the year, including executive directors, was:

	2025 No.	2024 No.
Administration	18	24
Research, development and production	27	39
	<u>45</u>	<u>63</u>

Staff costs for all employees, including executive directors, consist of:

	2025 £'000	2024 £'000
Wages and salaries	3,346	3,434
Social security costs	393	380
Defined contribution pension costs	201	147
Share-based payment (income)/expense	(280)	24
	<u>3,660</u>	<u>3,985</u>

Executive directors' remuneration

	2025 £'000	2024 £'000
Short-term employee benefits and fees	406	531
Social security cost	51	69
Post-retirement benefits	39	29
	<u>496</u>	<u>629</u>

The total amount payable to the highest paid director in respect of emoluments was £178,000 (2024: £253,000), excluding pension costs of £19,000 (2024: £21,000). Further details on Directors' Remuneration can be found in the Directors' Remuneration Report on pages 24 to 26.

9. Income tax

	2025 £'000	2024 £'000
Current tax credit		
Total income tax credits:		
– for the financial year	207	241
– under provision in the previous financial year	–	–
Deferred tax	–	–
Total current tax	<u>207</u>	<u>241</u>

Further deferred tax information can be found in note 27.

9. Income tax (continued)

The reason for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the losses for the year are as follows:

	2025 £'000	2024 £'000
Loss for the year	(9,182)	(6,110)
Income tax credit	(207)	(241)
Loss before income taxes	(9,389)	(6,351)
Tax using the Group's domestic tax rates of 25% (2024: 25%)	2,347	1,588
Expenses not deductible for tax purposes	(1,125)	(226)
Income not taxable	44	557
Different tax rates applied in overseas jurisdictions	–	(5)
R&D enhancement	195	244
Surrender for R&D tax credit	–	(555)
Adjustment for over provision in comparative year	12	4
Movement in unrecognised losses carried forward	(1,193)	(1,328)
Non qualifying assets	(73)	(38)
Total tax credit	207	241

Factors affecting the future tax charge

The main rate of corporation tax for UK companies is currently 25%.

The Group has tax losses that are available indefinitely for the offset against future taxable profits of the companies approximately amounting to £32.13 million (2024: £30.94 million). The group currently expects to be able to utilise its tax losses in the foreseeable future and a deferred tax asset has been recognised in respect of these tax losses up to the value of the timing difference of fixed assets and therefore no overall deferred tax asset has been created.

10. Loss per share

The calculations of loss per share are based on the following losses and number of shares:

	Continued 2025 £'000	Discontinued 2025 £'000	Total 2025 £'000	Continued 2024 £'000	Discontinued 2024 £'000	Total 2024 £'000
Loss after tax attributable to owners of Haydale Graphene Industries Plc	(3,416)	(5,559)	(8,975)	(3,133)	(2,977)	(6,110)
Weighted average number of shares:						
- Basic and Diluted	3,314,912,923	3,314,912,923	3,314,912,923	1,534,906,164	1,534,906,164	1,534,906,164
Loss per share:						
Basic (pence) and Diluted (pence)	(0.10)	(0.20)	(0.30)	(0.20)	(0.20)	(0.40)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS 33. At 30 September 2025, there were 117,189,568 (2024: 208,750,000) options and warrants outstanding as detailed in note 18. All of the options are potentially dilutive.

11. Intangible assets

	Customer Relationships £'000	Development Expenditure £'000	Goodwill £'000	Total £'000
Cost				
At 1 July 2023	1,108	3,082	2,045	6,235
Additions	–	503	–	503
FX translation	–	–	1	1
At 30 June 2024	1,108	3,585	2,046	6,739
Additions	–	250	–	250
Disposal	(1,108)	(979)	(2,046)	(4,133)
FX translation	–	–	–	–
At 30 September 2025	–	2,856	–	2,856
Accumulated amortisation and impairment				
At 1 July 2023	858	1,946	986	3,790
Charge for the year	87	300	–	387
Impairment	166	1	1,060	1,227
FX translation	(3)	–	–	(3)
At 30 June 2024	1,108	2,247	2,046	5,401
Charge for the year	–	471	–	471
Impairment	–	290	–	290
Disposal	(1,108)	(979)	(2,046)	(4,133)
FX translation	–	–	–	–
At 30 September 2025	–	2,029	–	2,029
Net book value				
At 30 September 2025	–	827	–	827
At 30 June 2024	–	1,338	–	1,338
At 30 June 2023	250	1,136	1,059	2,445

All of the above Development Expenditure is currently in use.

Goodwill

Goodwill of £24,000 arose on the acquisition of Haydale Ltd on 21 May 2010. On 9 September 2016, goodwill of £327,151 arose on the acquisition of Innophene Co. Ltd (renamed Haydale Technologies Thailand Ltd (“HTT”). Goodwill arose on the acquisition of ACM (now Haydale Composite Technology LLC (“HCT”) on 13 October 2016 of £1,102,620. All goodwill was impaired in the year ended June 2024 and following the disposal of the overseas entities were written off in the current year.

Customer Relationships

The customer relationships intangible asset arose on the fair value of assets on the acquisition of HCT on 13 October 2016 amounting to £868,676. All customer relationship value was impaired in the year ending June 2024 and following the disposal of the US entity year were written off in the current year.

Development costs

Development costs brought forward are made up of three areas. The first relates to the fair value of assets on the acquisition of Haydale Ltd on 21 May 2010 for development of nano-technology projects, where it is anticipated that the costs will be recovered through future commercial activity. The second relates to capitalised patent costs that were acquired as part of the acquisition of Innophene Co Ltd. (now HTT) in 2016. The third relates to the development of nano enhanced products within Haydale Limited and Haydale Composite Solutions Limited (“HCS”).

11. Intangible assets (continued)

Development expenditure relating to HTT was written off during the year following the disposal of the related overseas subsidiary.

Development expenditure of £250,000 was capitalised during the year in accordance with IAS 38 in connection with the Group's expenditure with the development of nano enhanced products (including underfloor heating, inks, epoxy resins, elastomers, thermal fluid and composites), where the Directors believe that future economic benefit is probable (2024: £503,000). Capitalised development expenditure is not amortised until the products or services are ready for use.

Amortisation

Capitalised development costs are amortised over the estimated useful life of between 5 and 20 years. The amortisation charge is recognised in administrative expenses.

The customer relationships intangible is amortised over the estimated useful life of 10 years. The amortisation charge is recognised in administrative expenses.

12. Property, plant and equipment

	Leasehold and leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 July 2023	4,796	8,603	575	32	14,006
Additions	162	10	6	–	178
FX translation	15	20	(1)	–	34
Disposals	(246)	(94)	(10)	–	(350)
At 30 June 2024	4,727	8,539	570	32	13,868
Additions	199	35	1	–	235
Disposals	(3,972)	(5,340)	(529)	(32)	(9,873)
At 30 September 2025	954	3,234	42	–	4,230
Accumulated depreciation and impairment					
At 1 July 2023	2,404	5,229	426	32	8,091
Charge for the year	529	548	51	–	1,128
FX Translation	3	7	–	–	10
Disposals	(143)	(76)	(9)	–	(228)
At 30 June 2024	2,793	5,708	468	32	9,001
Charge for the year	477	527	37	–	1,041
Disposals	(2,654)	(3,350)	(466)	(32)	(6,502)
At 30 September 2025	616	2,885	39	–	3,540
Net book value					
At 30 September 2025	338	349	3	–	690
At 30 June 2024	1,934	2,831	102	–	4,867
At 30 June 2023	2,392	3,374	149	–	5,915

Included in the net carrying amount of property, plant and machinery are right-of-use assets as follows:

	30 Sept 2025 £'000	30 June 2024 £'000
Leasehold and leasehold improvements cost	337	3,981
Leasehold and leasehold improvements depreciation	(96)	(2,191)
Leasehold and leasehold improvement NBV	241	1,790

Plant and Machinery Impairment

The group tests for fixed asset impairment at least annually. During the period ending September 2025 no impairment was identified (June 2024: Nil).

13. Inventories

	2025 £'000	2024 £'000
Raw materials	103	239
Work in progress	8	709
Finished goods	264	722
	375	1,670

The total value of inventories recognised in cost of sales during the period was £1,074,000 (2024: £2,008,000). Raw materials and finished goods comprise functionalised carbon, chemicals and associated raw materials. In 2024 they also comprised SiC and blanks associated with the US operations. Work in progress comprises recoverable costs on contracts.

14. Trade receivables

	2025 £'000	2024 £'000
Trade receivables	333	1,088

15. Other receivables

	2025 £'000	2024 £'000
Other receivables	50	127
Prepayments and accrued income	202	249
	252	376

	2025 £'000	2024 £'000
Corporation tax	208	251

16. Deferred income

Deferred income is recognised for both capital and revenue grants from governments and other funding parties and released as income in accordance with the relevant conditions of the grant concerned. All income will be recognised within one year.

	2025 £'000	2024 £'000
Commercial deferred income	173	178

As at 30 September 2025, deferred income relates to contracted commercial income which will be recognised in the profit and loss within a year.

17. Share capital and share premium

	Number of shares No.	Share capital £'000	Share premium £'000	Total £'000
ORDINARY				
At 30 June 2023	785,852,475	15,717	31,912	47,629
Issue of ordinary shares	1,012,609,576	1,013	3,462	4,475
At 30 June 2024	1,798,462,051	16,730	35,374	52,104
Issue of ordinary shares	2,524,493,896	252	4,229	4,481
Total Ordinary Shares as at 30 Sept 2025	4,322,955,947	16,982	39,603	56,585
DEFERRED				
At 30 June 2023	–	–	–	–
Effect of subdivision of ordinary shares	785,852,475	–	–	–
As at 30 June 2024	785,852,475	–	–	–
Effect of subdivision of ordinary shares	1,798,462,051	–	–	–
Total Deferred Shares as at 30 September 2025	2,584,314,526	–	–	–
Total Shares as at 30 September 2025	6,907,270,473	16,982	39,603	56,585

Allotted, called up and fully paid

	2025 No	2024 No
0.01p Ordinary Shares	4,322,955,947	1,798,462,051
0.09p Deferred Ordinary Shares	1,798,462,051	–
1.90p Deferred Ordinary Shares	785,852,475	785,852,475
	6,907,270,473	2,584,314,526

At a general meeting of the Company held on 3 October 2023, the Company's shareholders approved resolutions to subdivide each ordinary share of 2 pence each into 1 new ordinary share of 0.1 pence each and 1 deferred ordinary share of 1.9 pence each ("Deferred Shares").

At a general meeting of the Company held on 13 November 2024, the Company's shareholders approved resolutions to subdivide each ordinary share of 0.1 pence each into 1 new ordinary share of 0.01 pence each and 1 deferred ordinary share of 0.09 pence each ("Deferred Shares").

The ordinary shares of 0.01 pence carry the same rights as those previously attached to the ordinary shares of 0.1 pence and 2 pence (save for the reduction in nominal value).

The Deferred Shares do not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distributions or to participate in any return of capital on a winding up unless and until the holders of Ordinary Shares have each been paid £10,000,000 per Ordinary Share held. The Company retains the right to purchase the Deferred Shares from any Shareholder for a consideration of not more than £1 in aggregate for all that Shareholders Deferred Shares. As such, the Deferred Shares effectively have no value. Share certificates will not be issued in respect of the Deferred Shares.

On 4 October 2023, the Company issued 1,012,609,000 new ordinary shares of 0.1p each. Issue costs amounting to £588,000 were charged to the Share Premium Account.

On 14 November 2024, the Company issued 1,960,633,907 new ordinary shares of 0.01p each. Issue costs amounting to £302,000 have been charged to the Share Premium Account. At the same time of issue Convertible Loan Notes of £500,000 were issued, details of which are outlined in note 21.

On 13 March 2025, the Company issued 89,849,106 new ordinary shares of 0.01p each. There were no costs associated with the issue.

On 27 June 2025, the Company issued 474,010,883 new ordinary shares of 0.01p each. Issue costs amounting to £79,000 have been charged to the Share Premium Account.

18. Share-based payment transactions

Options

The Company operates both an approved EMI share option scheme and an unapproved share option scheme for the benefit of employees and directors of the Group. Following careful consideration including obtaining advice, the Remuneration Committee decided to grant new options with revised terms that would properly incentivise them, conditional upon the surrender of existing options and SARs.

The exercise price of the new 2020 EMI & SAR options granted on 25 January 2024 & 1 May 2024 were 0.5p per Ordinary Share (being respectively 2% premium to the closing mid-market price of the Company's Ordinary Shares on the last trading day before the grant).

The exercise price of the new 2020 EMI options granted on 7 August 2025 were either 0.45p and 0.58p per Ordinary Share. The options vest on 30th June 2026 and become exercisable.

The options are accounted for as equity settled share-based payment transactions.

The following table which illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number of options No.	2025 WAEP Pence	Number of options No.	2024 WAEP Pence
Balance at beginning of year	206,750,000	0.50	101,275,000	2.65
Granted	36,439,568	0.53	207,000,000	0.05
Lapsed	(127,000,000)	0.50	(27,400,000)	2.42
Forfeited	–	–	(74,125,000)	2.66
Balance at end of year	116,189,568	0.51	206,750,000	0.50

At 30 September 2025, there were options outstanding over 116,189,568 un-issued ordinary shares, equivalent to 2.7% of the issued share capital as follows:

	Number of shares	Exercise price	Earliest exercise date	Latest exercise date
Approved EMI scheme				
25 January 2024	79,750,000	0.50p	25 January 2027	25 January 2034
7 August 2025	36,439,568	0.45-0.58p	30 June 2026	7 August 2035

The estimated fair value was calculated by applying a Black-Scholes option pricing model.

	Type of award	Number of shares	Share price at date of grant (p)	Fair value per option (p)	Award life (years)	Risk free rate (%)	Expected volatility (%)	Performance conditions
25 January 2024	EMI	79,750,000	0.49	0.01	10	0.50	64.7	See below
7 August 2025	EMI	36,439,568	0.70	0.01	10	0.50	64.7	None

January 2024 Performance Conditions

50% of the options have no performance conditions. These options vest and are exercisable in three equal tranches from the first, second and third anniversary of the date of grant, provided the participant has remained in continuous employment within the Group.

Should the Company's closing mid-market share price reach and remain at or above £0.01 for at least 15 consecutive trading days, commencing after the grant date and ending on or before 31 December 2025, 15% of share options are capable of vesting.

Should the Company's closing mid-market share price reach and remain at or above £0.02 for at least 15 consecutive trading days, commencing after the grant date and ending on or before 31 December 2026, 15% of share options are capable of vesting.

Should the Company's closing mid-market share price reach and remain at or above £0.03 for at least 15 consecutive trading days, commencing after the grant date and ending on or before 31 December 2027, 20% of share options are capable of vesting.

18. Share-based payment transactions (continued)

The weighted average remaining contractual life of share options outstanding at 30 September 2025 is 8.5 years (2024: 8 years).

Warrants

	2025		2024
	Weighted		Weighted
	average	Number of	average
	exercise	warrants	exercise
	price	No.	price
	Pence		Pence
Balance at beginning of year	2,000,000	140,758,392	2.04
Lapsed	(1,000,000)	(138,757,816)	2.00
Exercised	–	(576)	2.00
Balance at end of year	1,000,000	2,000,000	5.13

No warrants outstanding at 30 September 2025 were held by employees (2024: None).

Warrants granted in September 2022 were issued as part of the September 2022 fundraise and did not have share performance conditions and lapsed on 14 September 2023.

The same pricing model was used for calculating the cost of warrants to the Group as was used for calculating the cost of the options to the Group.

The weighted average remaining contractual life of warrants outstanding at 30 September 2025 is 6.5 years (2024: 7.5 years).

19. Reserves

Share capital

The share capital represents the nominal value of the equity shares in issue.

Share premium account

The share premium account represents the amount received on the issue of ordinary shares in excess of their nominal value, less any costs associated with the issuance of the shares, and is non-distributable.

Share-based payment reserve

The share-based payment reserve comprises the cumulative expense representing the extent to which the vesting period of share options has passed and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest.

Retained Losses

The retained profits and losses reserves comprise the cumulative effect of all other net gains, losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Foreign Exchange

The foreign exchange reserve comprises the translation differences arising from the translation of the overseas subsidiary results into pound sterling.

20. Trade and other payables

	Current		Non-Current	
	Liabilities		Liabilities	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade payables	346	696	–	–
Tax and social security	31	116	–	–
Lease liability	92	451	155	1,558
Accruals and other creditors	449	923	–	–
	918	2,186	155	1,558

21. Bank loans and Convertible Loan Notes

	2025 £'000	2024 £'000
The borrowings are repayable as follows:-		
– within one year	156	14
– in the second year	679	593
– in the third year and above	981	799
Bank loans	1,816	1,406

The Group's borrowings are denominated in Pounds Sterling, all USD based borrowing were associated in the US company which was disposed of during the year. The directors consider that there is no material difference between the fair value and carrying value of the Group's borrowings.

	2025	2024
Average interest rates paid	8.15%	6.87%

In June 2020, as part of the Government Bounce Back Loan scheme, HCS entered into a six year loan agreement with NatWest for £50,000. The loan had a repayment holiday and did not accrue interest during the first 12 months. Following the initial 12 months, interest has been charged at 2.5% p.a. and the loan and interest are repayable in equal instalments over the remaining period.

In March 2021, HCS secured a loan of £1,100,000 from Innovate Loans UK Limited, which the company has fully drawn down. The loan had an initial repayment holiday until July 2024 (which was extended by a year during the year ended June 2024 to July 2025) and was due for full repayment by July 2026, with interest charged at 7.4% p.a. During the current period to 30 September 2025, it was agreed to further extend the loan period by two years to July 2028, and further extend the repayment holiday by an additional year to July 2026. This means the loan will be fully repaid by July 2028.

During the year ended June 2022, the US operation secured a loan through the COVID-19 Economic Injury Disaster Loan scheme of \$200,000. The loan is for a period of 30 years with a fixed interest rate of 3.75% and deferred repayments for the first two years. During the year the loan was written off following the disposal of the US subsidiary.

On 14 November 2024 the Company issued 5 year Convertible Loan ('CLN') notes to the value of £500,000 with a fixed coupon rate of 10% p.a. The CLN has a conversion price of the lower of 0.1325p, the issue price of the last fundraising prior to the conversion event and 25% discount to the price per share on any exit event. Management has reviewed the CLN arrangement and has deemed it to be a Financial Liability, as there is no event to trigger a conversion into equity, with only the CLN holder having the option to convert.

22. Related party disclosures

Balances and transactions between Haydale Plc and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Balances and transactions between the Group and other related parties are disclosed below.

Remuneration of directors and key management personnel

The remuneration of the directors of the Company is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	2025 £'000	2024 £'000
Short-term employee benefits and fees	406	531
Social security costs	51	69
Post-retirement benefits	39	29
	496	629

Other transactions – Group and parent company

None

23. Financial instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:

i) Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The currencies giving rise to this risk are primarily the United States Dollar and the Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains the ability to provide a natural hedge wherever possible by matching the cash inflows (revenue stream) and cash outflows used for purposes such as operational expenditure in the respective currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period were as follows:

	United States		
	Dollar	Euro	Total
	£'000	£'000	£'000
2025			
Financial assets	330	80	410
Financial liabilities	16	14	30
2024			
Financial assets	132	5	137
Financial liabilities	2	–	2

Foreign currency sensitivity analysis

The following table details the sensitivity analysis to possible changes in the relative values of foreign currencies to which the Group is exposed as at the end of the respective financial periods, with all other variables held constant:

	2025	2024
	Increase/ (decrease)	Increase/ (decrease)
	£'000	£'000
Effects on loss after taxation / equity		
United States Dollar:		
- strengthened by 10%	35	14
- weakened by 10%	(28)	(12)
Euro:		
- strengthened by 10%	7	1
- weakened by 10%	(6)	(1)

ii) Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets. The Group's policy is to obtain the most favourable interest rates available, while ensuring minimal risk to capital. Any surplus funds will be placed with licensed financial institutions to generate interest income.

Interest rate risk sensitivity analysis

A 100 basis points strengthening or weakening of the interest rate as at the end of each financial period would have an immaterial impact on loss after taxation and / or net assets. This assumes that all other variables remain constant.

b) Credit risk

The Group's exposure to credit risk, or the risk of third parties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected but not yet identified. Impairment is estimated by management based on prior experience, current market and third party intelligence while considering the current economic environment.

Credit risk concentration profile

To date, modest sales have meant that the credit risk profile of the Group has tended to focus on a handful of customers only. As such, no meaningful analysis can be drawn from the customer profile of the receivables outstanding at each period end under review.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of each financial period.

The exposure of credit risk for trade receivables by geographical region as at the year-end is as follows:

	2025	2024
	£'000	£'000
United Kingdom	213	180
Europe	76	2
North America	–	250
Rest of the world	44	656
	333	1,088

Maturity analysis

The ageing analysis of the Group's trade receivables as at the year-end is as follows:

	2025	2024
	£'000	£'000
Not past due	233	955
Past due:		
– less than 3 months	98	45
– between 3 and 6 months	2	43
– more than 6 months	–	45
Gross amount	333	1,088

At the end of each financial period, trade receivables that are individually impaired are those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Collective impairment allowances, are determined based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience. Impairment provision is not material and therefore has not been recognised in either the current or prior year.

Trade receivables that are past due but not impaired

The Board believes that no further impairment allowance is necessary in respect of these trade receivables.

23. Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

All of the financial liabilities of the Group are due within one year, with the exception of certain long-term bank loans, defined benefit pension scheme and lease liability – see note 21.

Maturity analysis

The ageing analysis of the Group's non-derivative financial liabilities as at the year-end is as follows:

	Under 1 Yr £'000	1 to 2 Yrs £'000	3+ Yrs £'000	Total £'000
2025				
Trade payables	346	–	–	346
Secured bank loan	148	679	439	1,266
Unsecured bank loan	8	–	542	550
Lease liability	92	98	57	247
Total	594	777	1,038	2,409
	Under 1 Yr £'000	1 to 2 Yrs £'000	3+ Yrs £'000	Total £'000
2024				
Trade payables	696	–	–	696
Secured bank loan	–	623	677	1,300
Unsecured bank loan	14	14	174	202
Lease liability	496	524	1,188	2,208
Total	1,206	1,161	2,039	4,406

d) Capital risk management

The Group defines capital as the total equity of the Group. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

e) Classification of financial instruments (at amortised cost and fair value)

	2025 £'000	2024 £'000
Financial assets		
Trade receivables	333	1,088
Other receivables	252	251
Cash and bank balances	1,680	1,717
Financial Assets (at amortised cost)	2,265	3,056
Financial liabilities		
Bank loans	1,816	1,406
Trade payables	346	696
Lease Liability	247	2,009
Financial Liabilities (at amortised cost)	2,409	4,111

There is no difference between the fair value and book value for the assets and liabilities.

f) Fair value of financial instruments

The Group has no financial assets or liabilities carried at fair values at the end of each reporting date.

24. Capital commitments

The Group had no capital commitments at the end of each reporting date.

25. Ultimate controlling party

The Directors do not consider any one shareholder, individually or acting in concert with others, to have ultimate control of the Group.

26. Defined Benefit Pension Scheme

HCT operated a defined benefit pension scheme. The scheme was closed in November 2006 for any new participants and frozen in February 2009 for all participants. During the period as part of the administration of the US operation the pension scheme was transferred outside the business, with the remaining group having no ongoing responsibility in relation to the scheme.

Contributions of £27,000 were made to the scheme during the period ended 30 September 2025 (2024: £161,000).

Included in the loss before tax during the year:

	2025 £'000	2024 £'000
Net Interest Expense	84	124

Included in other comprehensive income during the year:

	2025 £'000	2024 £'000
Actuarial gain from demographic assumptions	98	71

The following table sets forth the pension plan's funded status as of 30 June 2024:

	2025 £'000	2024 £'000
Accumulated benefit obligation	-	(3,308)
Projected Benefit obligation	-	(3,308)
Plan assets at fair value	-	3,004
Funded Status	-	(304)
Accrued Pension Cost	-	(304)

Net amount recognised in the Consolidated Statement of Financial Position as of 30 September (Comparative June), consisted of the following:

	2025 £'000	2024 £'000
Non-current Liabilities	-	(304)

26. Defined Benefit Pension Scheme (continued)

The discount rate is based on the yield curve of government bonds in the applicable region adjusted with a credit spread of one of the two highest ratings given by a recognized ratings agency. Future cash outflows of the plans are then related with the yield curve. The average is the discount rate. The weighted average assumptions used to develop the actuarial present value of benefit obligations and net periodic benefit costs for the pension plan are as follows for the year ended 30 June 2024:

Discount rate for periodic benefit costs	5.50%
Discount rate for benefit obligations	5.50%
Rate of increase in compensation levels	3.61%
Investment return rate	3.67%

Mortality Assumptions are as follows:

Longevity at retirement age (current & future pensioners)	2024
- Males	22.2 years
- Females	24.2 years

Plan Assets

Pension assets were managed by an outside investment manager and were rebalanced periodically. The Company establishes policies and strategies and regularly monitors performance of the assets, including the selection of investment managers, setting long-term strategic targets, and monitoring asset allocations. Target allocation ranges were guidelines, not limitations, subject to variation from time-to-time or as circumstances warrant, and occasionally, the Company were able to approve allocations above or below a target range.

The pension plan's investment strategy with respect to pension assets was to invest the assets in accordance with ERISA and fiduciary standards. The long-term primary objective for the pension plan assets was to protect the assets from erosion of purchasing power and to provide a reasonable amount of long-term growth of capital, without undue exposure to risk. The strategic targets were 45% for equity securities, 50% for debt securities, and no more than 5% for other categories.

The fair value of the Company's pension plan assets valued at 30 June 2024, by asset category were as follows:

Description	Total Carrying Amount £'000	Assets/ Liabilities Measured at Fair Value £'000	Fair Value Measurements at 30 June 2024 using	
			Level 1 Inputs £'000	Level 2 Inputs £'000
Cash	204	204	204	–
Corporate Equities	1,771	1,771	1,771	–
<i>Fixed Income:</i>				
US Government	391	391	–	391
Corporate debt	183	183	–	183
Mutual Funds	455	455	455	–
	3,004	3,004	2,430	574

All corporate equities are quoted securities.

The changes in the fair value of the Company's pension plan assets for the year ending 30 June 2024, were as follows:

	2024 £'000
Opening Balance	2,730
Contributions	161
Distributions	(247)
Net realised (loss)/gain	349
Foreign exchange gain/(loss)	11
Balance at Year End	3,004

The Company's pension plan asset allocations by asset category were as follows as of 30 June 2024:

Asset Category

Cash	7%
Equity Mutual Funds	59%
Fixed Income	34%
Other	0%

Plan Obligations

	2024
	£'000
Benefit Obligation at 1 July 2023	(3,307)
Foreign exchange movement	(18)
Interest cost	(159)
Actuarial (loss)/gain	(71)
Benefits paid	247
Benefit Obligation at 30 June 2024	(3,308)
Fair Value of Plan Assets at 1 July 2023	2,730
Foreign Exchange movement	11
Actual Return on plan assets	349
Employer contributions	161
Benefits paid	(247)
Fair Value of Plan Assets at 30 June 2024	3,004
Funded Status at 30 June 2024	(304)

Defined benefit obligation – sensitivity analysis.

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below:

Actuarial Assumption	Reasonably Possible Change	Defined Benefit Obligation (£'000)	
		Increase	Decrease
Discount Rate	(+/- 0.25%)	(62)	64
Mortality Rate	(+/-1.00%)	(10)	10

Defined Contribution plan

HCT also has a defined contribution plan under Section 401(k) of the Internal Revenue Code which provides for voluntary participation. All employees who have completed one hour of service are eligible to participate in this plan beginning the first pay period of the month following the date an hour of service is first performed. Participants may contribute on a pre-tax basis from 1% to 60%, in 1% increments, of their annual base salary. Company contributions under the plan are required to be equal to 100% of that portion of participant contributions which do not exceed 6% of the participant's annual base compensation rate. Participants are immediately vested in their voluntary contributions plus actual earnings and Company contributions. The Company contributions for the year ended 30 September 2025, were £46,000 (2024: £62,000).

27. Taxes

Deferred tax is calculated in full on temporary differences under the liability method. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

There was no movement on the deferred tax account in the year and the balance at the year end is £nil (2024 - £nil).

Detail of the deferred tax liability, amounts recognised in profit and loss and amounts recognised in other comprehensive income are as follows:

	Asset 2025 £'000	Liability 2025 £'000	Net 2025 £'000	(Charged)/ credited to profit or loss 2025 £'000
Employee pension liabilities	–	–	–	(76)
Available losses	1,193	–	1,193	(460)
Business combination	–	(1,193)	(1,193)	536
Net tax assets/(liabilities)	1,193	(1,193)	–	–

	Asset 2024 £'000	Liability 2024 £'000	Net 2024 £'000	(Charged)/ credited to profit or loss 2024 £'000
Employee pension liabilities	76	–	76	(46)
Available losses	1,653	–	1,653	699
Business combinations	–	(1,729)	(1,729)	(653)
Net tax assets/(liabilities)	1,729	(1,729)	–	–

A deferred tax asset has not been recognised for the following:

	2025 £'000	2024 £'000
Accelerated capital allowances	3	7
Unused tax losses	7,923	7,045
	7,926	7,052

The unused tax losses can be carried forward indefinitely in the UK.

28. Post Balance Sheet Event

On 18 December 2025, the Company issued 417,883,894 new Ordinary Shares in satisfaction of the CLN and rolled up interest following receipt of a notice to convert.

On 7 January 2026, the Company raised £5.75 million (gross) through a placing, retail offer and subscription of 1,150,000,000 new Ordinary Shares at 0.5 pence per share. The funds raised will be principally used to fund the general working capital needs of the enlarged business.

Acquisition of Intelligent Resources Management Limited

As announced during January 2026, the Group acquired 100% of the share capital of Intelligent Management Resources Limited (trading as SaveMoneyCutCarbon), a company which offers a full turnkey solution to support organisations transition to net zero. The acquisition of Intelligent Management Resources Limited on 8 January 2026 was transacted by Haydale Plc for an initial consideration of 1,883,869,258 shares and a further 992,248,061 of deferred shares in two tranches subject to share price targets being met by certain milestone dates.

The financial effects of this transaction have not been recognised at 30 September 2025. The operating results and assets and liabilities of the acquired company will be consolidated from 8 January 2026. A provisional calculation of purchase price accounting is currently being performed. The purchase price accounting will be finalised once all facts and circumstances at acquisition date are established within the twelve-month measurement period permitted under IFRS 3 Business Combinations.

29. Reconciliation of liability movement as a result of financing activities

	Non-current Loans and borrowings £'000	Current loans and borrowings £'000	Total £'000
At 1 July 2023	3,325	484	3,809
Interest accruing in period	95	94	189
Loan repayments in year	–	(63)	(63)
Lease liability addition	114	–	114
Lease liability repayments in year	–	(446)	(446)
Lease liability disposal in year	–	(121)	(121)
Effect of foreign exchange	(67)	–	(67)
Loans classified as non-current at 30 June 2023 becoming current during year.	29	(29)	–
Lease liability classified as non-current at 1 July 2023 becoming current during year	(546)	546	–
At 30 June 2024	2,950	465	3,415
Interest accruing in period	75	170	245
Loan repayments in period	–	(86)	(86)
New Convertible Loan Notes	500	–	500
Lease liability addition	199	–	199
Lease liability repayments in period	–	(501)	(501)
Loans removed through divestment	–	(165)	(165)
Lease liability disposal through divestment	(1,529)	–	(1,529)
Effect of foreign exchange	(6)	(9)	(15)
Loans classified as non-current at 1 July 2024 becoming current during period.	(87)	87	–
Lease liability classified as non-current at 1 July 2024 becoming current during period	(142)	142	–
At 30 September 2025	1,960	103	2,063

PARENT COMPANY BALANCE SHEET

As at 30 September 2025

Company Registration No. 07228939

PARENT COMPANY REPORT

	Note	2025 £'000	2024 £'000
Fixed assets			
Property, plant and equipment		–	–
Investments	6	777	1,350
		777	1,350
Current assets			
Debtors – within one year	7	158	82
Debtors – after more than one year	7	734	3,638
Cash at bank and in hand		1,330	1,012
		2,222	4,732
Creditors: amounts falling due within one year	8	(230)	(407)
NET CURRENT ASSETS		1,992	4,325
TOTAL ASSETS LESS CURRENT LIABILITIES		2,769	5,675
Creditors: amounts falling due after more than one year	9	(541)	–
NET ASSETS		2,228	5,675
Capital and reserves			
Called up share capital	10	16,982	16,730
Share premium account	10	39,603	35,374
Profit and loss account		(54,357)	(46,429)
SHAREHOLDER'S FUNDS		2,228	5,675

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The loss of the Company for the 15 month period ended 30 September 2025 was £7,918,000 (for the year ending 30 June 2024: £10,714,000).

The financial statements on pages 66 to 72 were approved and authorised for issue by the Board of directors on 16 February 2026 and signed on its behalf by:

Simon Turek
Chief Executive Officer

Patrick Carter
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the 15 month period ended 30 September 2025

	Share capital £'000	Share Premium £'000	Profit and loss account £'000	Total Equity £'000
At 1 July 2023	15,717	31,912	(35,705)	11,924
Comprehensive Income for the year				
Loss for the year	–	–	(10,714)	(10,714)
Contributions by and distributions to owners				
Recognition of share-based payments	–	–	(10)	(10)
Issue of ordinary share capital, net of transaction costs	1,013	4,050	–	5,063
Share issue costs	–	(588)	–	(588)
At 30 June 2024 and 1 July 2024	16,730	35,374	(46,429)	5,675
Comprehensive Income for the year				
Loss for the year	–	–	(7,918)	(7,918)
Contributions by and distributions to owners				
Recognition of share-based payments	–	–	(10)	(10)
Issue of ordinary share capital	252	4,610	–	4,862
Share issue cost	–	(381)	–	(381)
At 30 September 2025	16,982	39,603	(54,357)	2,228

NOTES TO THE PARENT COMPANY BALANCE SHEET

For the 15 month period ended 30 September 2025

1. Basis of preparation

The parent company financial statements of Haydale Plc (formally known as Haydale Graphene Industries Plc), a public company incorporated and registered in England and Wales under the Companies Act 2006 with company number 07228939 which is limited by shares, have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency used is sterling and amounts have been presented in round ("£000's").

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Haydale Graphene Industries Plc.

In addition, all in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Haydale Graphene Industries Plc. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Business combinations; and
- Financial Instruments

Going concern

The directors have concluded that the Company's position as a going concern is dependent on that of the wider Haydale group, which is considered in note 1 of the consolidated accounts.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements:

Investment in subsidiary undertakings

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiary undertakings where the company has control are stated at cost less any provision for impairment.

Financial assets

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

These assets arise principally from the provision of services and advancing of monies to the company's subsidiaries, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise intercompany receivables, trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

The intercompany receivables are interest-free loans that are repayable on demand. In applying IFRS 9 to these balances, the company assesses the ability of the debtor subsidiary to repay the loan on demand at each reporting date. A loan is considered to be in default where there is evidence that the borrower has insufficient liquid assets to repay the loan on demand. This is assessed with reference to key liquidity and solvency ratios. Where the borrowing subsidiary has sufficient liquid assets to repay the loan immediately, meaning the risk of default is very low, the loan is considered to be in Stage 1 of the expected credit loss model, meaning that there is deemed to have been no significant increase in credit risk. However, should the borrowing subsidiary not have sufficient liquid assets to repay the loan on demand, the loan is considered to be at Stage 3 of the expected credit loss model and credit impaired. Where a loan is deemed to be credit impaired, an expected credit loss provision is recognised based on a 'repay over time' approach applying a discounted cashflow analysis.

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have maturities of 3 months or less from inception.

Share-based payments

When the Company grants options over equity instruments directly to the employees of a subsidiary undertaking, the effect of the share-based payment is capitalised as part of the investment in the subsidiary as a capital contribution, with a corresponding increase in equity.

Impairment

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted by the balance sheet date. The substantively enacted rate has been used for deferred tax balances, which are recognised in respect of all timing differences that have been originated but not reversed by the reporting date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Foreign Currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise their judgement in the process of applying the accounting policies which are detailed below. These judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Accounting policies (continued)

Impairment of Investments

The Company considers the impairment of investments on an annual basis. An estimate of the values of investments is calculated on a discounted cash flow basis. Our value in use calculations require estimates in relation to uncertain items, including management's expectations of future revenue growth, operating costs, profit margins, operating cashflows and the discount rate applied.

Future cash flows used in the value in use calculations are based on our latest Board approved longer term projections. Expectations about future growth reflect expectations of growth in the markets applicable to the group. The future cashflows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money. The impairment of investments has been considered under note 11 of the consolidated financial statements.

Impairment of debtors (estimate)

The Company applies the expected credit loss model under IFRS 9 in assessing the impairment of receivables. As intercompany receivables are repayable on demand, the debtor is considered to be in default if they would be unable to repay the balance at the reporting date. In such circumstances, the receivables are impaired to the extent that the debtor company is not considered able to repay the receivable if it were to be recalled at the balance sheet date. Where a loan is deemed to be credit impaired, an expected credit loss provision is recognised based on a 'repay over time' approach applying a discounted cashflow analysis. Further information can be found in note 7.

3. Audit Fees

The audit fees of the parent company have been disclosed within note 7 of the consolidated financial statements, which form part of these financial statements.

4. Employees

The average number of employees during the year, including executive directors, was:

	2025 No.	2024 No.
Administration	12	13

Staff costs for all employees, including executive directors, consist of:

	2025 £'000	2024 £'000
Wages and Salaries	826	886
Social Security Costs	101	101
Pension Costs	86	59
Share based payment reverse expenditure	(121)	(10)
	892	1,036

5. Directors' remuneration

In respect of directors' remuneration, the disclosures required by Schedule 5 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are included in the detailed disclosures in the audited Group accounts in note 8, which are ascribed as forming part of these financial statements.

6. Fixed asset investments

	Investment £'000
Cost	
At 1 July 2024	1,350
Disposal during the year	(573)
At 30 September 2025	777

The impairment reviews have been carried out on the same basis as those applied to goodwill and intangibles of the Group (see note 11 in the Group accounts for further detail).

The undertakings in which the Company's interest at the period end is 20% or more are as follows:

Name of subsidiary company	Country of incorporation or registration	Proportion of ordinary share capital held	Nature of business
Haydale Technologies Ltd (Formally Haydale Ltd)	England & Wales	100%	R&D, sales and distribution
Haydale Composite Solutions Limited	England & Wales	100%	R&D, sales and distribution
Haydale Composites Ltd	England & Wales	100%	Dormant
EPL Composites Limited	England & Wales	100%	Dormant

Haydale Composites Ltd & EPL Composite Limited are exempt from audit in accordance with the Companies Act 2006, as a result of them remaining dormant throughout the current and previous financial years.

Subsidiary	Registered office
Haydale Technologies Ltd (Formally Haydale Ltd)	Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3BL
Haydale Composites Ltd	Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3BL
EPL Composites Ltd	Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3BL
Haydale Composite Solutions Limited	Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3BL

7. Debtors

	2025 £'000 < 1 yr	2025 £'000 > 1 yr	2024 £'000 < 1 yr	2024 £'000 > 1 yr
Amounts owed by group companies	–	734	–	3,638
Corporation tax	38	–	55	–
Other debtors	13	–	20	–
Prepayments and accrued income	107	–	7	–
	158	734	82	3,638

During the period an impairment provision of £1,201,000 (FY24: £9,000,000) was recognised in relation to the recoverability of intercompany balances with all subsidiary operations taking into account the ongoing losses in those entities and the Group's future plans.

Loans to subsidiary organisations are denominated in their local currency in line with IAS21, for consolidation purposes these loans are classified as part of the net investment in the subsidiary and foreign exchange movements on these balances are recorded through the Other Comprehensive Income.

Amounts owed by group companies are in GBP and therefore are not exposed to exchange rate risk.

8. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	75	37
Other creditors including tax and social security	25	60
Accruals and deferred income	130	310
	230	407

9. Bank Loan & Convertible Loan Notes

	2025 £'000	2024 £'000
Convertible Loan Notes	541	–
The borrowings are repayable as follows:-		
– within one year	–	–
– in the third year and above	541	–
	541	–

10. Share capital and share premium

Share capital and share premium are included in note 17 of the Group accounts.

11. Ultimate controlling party

The directors do not consider any one shareholder, individually or acting in consort with others, to have ultimate control of the Company.

12. Related party transactions

The Company is exempt from disclosing transactions with wholly owned subsidiaries within the Group. Other related party transactions are included within those given in note 22 of the Group accounts.

Corporate Information

<i>Registered and Head Office</i>	Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, Wales, SA18 3BL	<i>Secretary</i>	Mark Heycock cosec@haydale.com
<i>Company Number</i>	07228939	<i>Website</i>	www.haydale.com
<i>Investor Relations</i>	investor.relations@haydale.com	<i>General enquiries</i>	info@haydale.com
<i>Independent Auditor</i>	Crowe U.K. LLP 55 Ludgate Hill, London, EC4M 7JW	<i>Nominated Advisor and Broker</i>	Cavendish One Bartholomew Close, London, EC1A 7BL
<i>Corporate Solicitors</i>	Field Fisher LLP Riverbank House, 2 Swan Lane, London EC4R 3TT	<i>Intellectual Property Solicitors</i>	Mewburn Ellis LLP 33 Gutter Lane, London, EC2V 8AS
<i>Registrars</i>	Share Registrars Limited 3, The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX		

Investor relations

The shares of Haydale Plc are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

Tradeable Instrument Display Mnemonic (TIDM): HAYD

Stock Exchange Daily Official List (SEDOL) code: BKWQ113

International Securities Identification Number (ISIN): GB00BKWQ1135

In accordance with AIM Rule 26 regarding company information disclosure, various investor orientated information is available on our website at www.haydale-ir.com/

Registrars

Enquiries relating to matters such as loss of a share certificate, dividend payments or notification of a change of address should be directed to Share Registrars Limited who are the Company's registrars by post: 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX; by email: enquiries@shareregistrars.uk.com; or by telephone: 01252 821390.

Donate your shares to charity

The Company supports ShareGift, the charity share donation scheme administered by The Orr Mackintosh Foundation (registered charity number: 1052686).

Through ShareGift, shareholders who only have a small number of shares which might be considered uneconomic to sell are able to donate them to charity. Donated shares are aggregated and sold by ShareGift, the proceeds being passed onto a wide range of UK charities.

Donating shares gives rise neither to a gain or loss for UK capital gains tax purposes and UK taxpayers may also be able to claim income tax relief on such gifts of shares.

Full details about ShareGift can be obtained from their website at www.sharegift.org or by contacting them by email at help@sharegift.com.

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