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30 June 2025

Versarien Plc

("Versarien", the "Company" or the "Group")

Interim Results for the six months ended 31 March 2025

Versarien Plc (AIM: VRS), the advanced engineering materials group, announces its unaudited interim results for the six months ended 31 March 2025.

Continuing Operations Key Financial Highlights

- Group revenues of £1.47 million (2024: £1.34 million)
- Graphene revenues of £0.21 million (2024: £0.28 million)
- Grant income of £0.23 million (2024: £0.20 million)
- Adjusted LBITDA* of £0.77 million (2024: £0.67 million)
- Loss before tax of £1.49 million (2024: £1.61 million)
- Cash of £0.85 million as at 31 March 2025 (30 September 2024: £0.15 million)

*Adjusted LBITDA (Loss Before Interest, Tax, Depreciation and Amortisation) excludes Exceptional items and Share-based payment charges)

Operational Highlights

- Secured €804,000 grant from the Madrid government to continue developing GnanoCaps technology.
- Completed the sale of chemical vapour deposition (CVD) graphene plant and equipment to MCK Tech Co. Ltd, together with an exclusive licence agreement for the use of five patents, owned by the Group. Total consideration was £611,000 including interest payment, after a £6,000 warranty deduction.
- Entered into a commercially funded project with Balfour Beatty Plc's Highways business to co-develop a range of UK supplied, low-carbon, graphene-infused 3D printable mortars designed for civil construction.
- Commissioned the Group's own concrete and mortar specimen testing equipment to accelerate the development of Cementene™ and to support rigorous quality control for Versarien's 3D Construction Printing ("3DCP") products.
- Industry Challenge Owner, with Digital Catapult, through The High Growth AI Accelerator for Innovate UK BridgeAI, as part of the Construction Innovation Programme.
- Stephen Hodge, CEO, appointed as a member of the Royce 2D Materials Steering Group.
- Signed a two-year supply agreement with Montana Quimica to provide certain of the Company's proprietary graphene and related material dispersions and formulations (Graphinks™)

Current Financial Position and Restructure Plans

As at 30 June 2025 the Group has a current bank balance of £0.65 million and headroom on its invoice discounting facilities of £0.03 million, which includes £0.54 million relating to specific grant funding to be used over the next two years. If no further external financing is received, with the free cash available of £0.11 million the Group will cease to be able to pay its liabilities as they fall due by the start of August 2025 without taking additional restructuring action and raising further funds.

Whilst the first six months of the year have seen further pipeline progress, this has yet to translate into significant customer orders and sales. Consequently, the Company does not now anticipate reaching break-even at the EBITDA level by the end of this financial year as previously reported in the Company's 2024 Annual Report.

In addition, the Company's expected strategic investment has been delayed by not yet receiving appropriate clearances under both the UK National Security and Investment Act ("NSIA") and Chinese Outbound Direct Investment. Whilst the total proposed investment is below the threshold for a mandatory disclosure to NSIA (less than 25%), part of the investment is dependent on the ability to form a new UK joint venture company. This aspect is pending a decision from the Investment Screening Unit. At this moment, all outcomes under the NSIA remain possible. Versarien continues to be in dialogue with the potential strategic investor, but in view of the delays experienced the Board is not basing its funding strategy around this, albeit the Board believes it will be in the best interests of the Group to see this to a successful conclusion.

Following a strategic review by the Board, the Company has taken advice from and appointed Leonard Curtis, to effect an accelerated sale of certain trade and assets of the Group's UK Technology companies whilst minimising the cash outflows from these operations. This includes seeking a strategic joint investment partner for the 3D Construction Printing ("3DCP") business where significant progress has been made, supported by funding from Balfour Beatty, in producing and successfully demonstrating the first of the Company's optimised printable mortars. In addition, the trading activities of Versarien Korea Limited will be closed, although the Company anticipates ongoing activity with the local South Korean director in a consultancy role. Following this re-structuring, the Group is expected to then consist of the parent company, Versarien Plc and Total Carbide Limited in the UK, and Gnanomat S.L. in Spain.

Whilst continuing to progress its strategic investment, it is the Company's intention to use its remaining share authorities to raise additional funds and renew those authorities whether it be for strategic investment and/or working capital purposes. The Board expects the Group's ongoing costs will be reduced with the simplified Group structure.

Stephen Hodge, Chief Executive Officer of Versarien, commented:

"With our planned corporate re-structuring, our strategy continues to be to monetise intellectual property including our know-how by being a manufacturing-light operation that licences Versarien's technology and brands as commercial traction for graphene develops. Our pipeline of commercial opportunities currently stands at £2.1 million, up from the previously announced £1.6 million as at October 2024. Although we remain dependent upon equity funding to continue as a going concern, the growing pipeline gives us optimism for the future growth and sustainability of the business."

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Notes to Editors:

The strategy of Versarien plc (AIM:VRS) is to be a development-led advanced materials company focussed on specific sectors that will lead to a manufacturing-light and licensing model.

For further information please see: http://www.versarien.com

Chair's Statement

The first six months of the year have seen positive progress in some aspects of the business, but it has been disappointing that we have not yet delivered the expected strategic investment, as described above and below in the Chief Executive Officer's report.

Funding the business until it can become self-sufficient remains our first priority and consequently we continue to look at further cost savings. We intend to simplify our UK operations and are also looking to cease operations at Versarien Korea Limited.

These cost savings are intended to assist us in achieving break-even; until we do so, we continue to be reliant upon raising funds through the issue of equity.

Diane Savory OBE
Non-executive Chair

Chief Executive Officer's Review

Our strategy continues to be to monetise intellectual property including our know-how by being a manufacturing-light operation that licences Versarien's technology and brands as commercial traction for graphene develops. However, there are definitely signs of traction in certain areas with repeat orders from previous customers that have seen success with our graphene. This includes a recent delivery of 6 tonnes of graphene-enhanced rubber to Flux Footwear for their new range of footwear products launched earlier this month.

The decision to simplify our corporate structure by transferring appropriate advanced materials business and staff from Versarien Graphene Limited, Cambridge Graphene Limited, 2-DTech Limited and Versarien Korea Limited to the parent company and Gnanomat in Spain will materially reduce our operating costs and help mitigate the shortfall in customer sales. We continue to market Total Carbide for sale and will be looking to secure a strategic partner as a joint venture for the 3DCP operations.

Whilst we continue to work towards being a financially stable business we continue to apply for grant funding. Versarien is an SME member of the Innovative Advanced Materials initiative (IAM-I) of which the four strategic research pillars are construction, energy, mobility and electronics; areas that align well with our core product offerings. A number of Horizon Europe grant opportunities have now launched for which Versarien is active in building consortia of European partners and drafting proposals for submission.

Construction & Energy Sectors
In construction, we have invested in our own concrete and mortar test equipment to support and accelerate Cementene™ developments, and quality control for 3D printed products. This has been invaluable for our work with Balfour Beatty to develop a range of low carbon, graphene-infused, 3D-printable mortars suitable for civil construction. Having demonstrated our first optimised mortar in our robotic arm printer, we look to now demonstrate mortars in real-world scenarios within the highways sector, assessing performance, durability, and cost-effectiveness compared to traditional construction materials. We are now looking for a strategic partner to continue to accelerate this further.

In the energy sector, Gnanomat's recent €804,000 grant awarded by the Madrid government has been crucial in supporting the development of GnanoCaps as we try to position ourselves as leaders in safe, sustainable energy storage. GnanoCaps demonstrate superior performance compared to current supercapacitor market standards and typically utilise aqueous electrolytes, mitigating environmental concerns associated with leakage and ensuring safe and sustainable operation.

We have previously advised that we were in advanced discussions with a strategic investor and had expected this investment to have been concluded given the due diligence information exercise and legal work already undertaken. The potential strategic investor is based in the People's Republic of China and is a private business in the battery materials industry. This would significantly strengthen our offering in the energy sector and complements Gnanomat's previous strategic development contract with CBMM Technology Suisse SA, part of CBMM (Companhia Brasileira de Metalurgia e Mineração) the world's leading supplier of niobium products and technology.

Pipeline

Our pipeline of commercial opportunities currently stands at £2.1 million up from the previously announced £1.6 million in October 2024. Although we remain dependent upon equity funding to continue as a going concern, the growing pipeline gives us optimism for the future growth and sustainability of the business.

Dr Stephen Hodge
Chief Executive Officer

Chief Financial Officer's review

The results of continuing operations for the period are broadly similar to the previous year with LBITDA of £0.77 million (2024: £0.67 million).

Revenues arising from the Technology businesses were £0.31 million (2024: £0.28 million), but margins were reduced as we took on staff to progress 3DCP and made further graphene inventory provisions and credit impairments as we transition into a manufacturing-light business.

We continue to market Total Carbide for sale and it has seen a modest revenue increase and returned to profitability with an EBITDA of £0.08 million (2024: £0.05 million loss).

The adjusted LBITDA for operations is calculated as follows:

	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	6 months ended 31 March 2025	**6 months ended 31 March 2025**	**6 months ended 31 March 2025**	6 months ended 31 March 2024	6 months ended 31 March 2024	6 months ended 31 March 2024
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Loss from operations	**(1,241)**	**-**	**(1,241)**	(1,373)	(148)	(1,521)
Depreciation and Amortisation	**424**	**-**	**424**	324	35	359
Share based payments	**-**	**-**	**-**	147	-	147
Exceptional items	**44**	**-**	**44**	229	-	229
Adjusted LBITDA	**(773)**	**-**	**(773)**	(673)	(113)	(786)

Adjusted LBITDA (which is not a GAAP measure and is not intended as a substitute for GAAP measures and may not be the same as that used by other companies) is a measure used by management to reflect the core operating performance of the underlying businesses rather than the effects of non-core financial and non-cash expenses.

The Group reported loss before tax was £1.49 million (2024: £1.77 million). Group net liabilities at 31 March 2025 were £1.89 million (30 September 2024: £1.16 million) with cash at the period end of £0. 85 million (30 September 2024: £0.15 million).

Cash used in operating activities was £0.09 million (2024: £0.66 million and 2023: £1.56 million) which is a significant improvement in prior years. Together with the net proceeds of share issues of £0.66 million and deferred grants received of £0.61 million the Group has increased its bank balances from £0.15 million at 30 September 2024 to £0.85 million at 31 March 2025.

Going Concern

The interim statement has been prepared on the going concern basis, as described in note 1, whilst recognising that a material uncertainty exists in this respect. In particular the following assumptions have been made:

- Effecting a successful group re-organisation to simplify the corporate structure and reduce overheads.

- Using the remaining capital authorities and renewal of those authorities to raise additional funds by the start of August from the issue of new equity via a conventional placing and/or by way of strategic investment.

- The sale of Total Carbide Limited, a wholly owned subsidiary undertaking, in the foreseeable future.

- Innovate UK will not demand early repayment of the £5 million loan as a result of any potential covenant breaches.

The interim statement does not include the adjustments that would result if the Group was unable to continue as a going concern.

Chris Leigh
Chief Financial Officer

Consolidated Interim Financial Statements

Group statement of comprehensive income

For the 6 months ended 31 March 2025

		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		31 March 2025 Unaudited	**31 March 2025 Unaudited**	**31 March 2025 Unaudited**	31 March 2024 Unaudited	31 March 2024 Unaudited	31 March 2024 Unaudited
		£'000	**£'000**	**£'000**	£'000	£'000	£'000
	Notes						
Revenue	2	**1,466**	**-**	**1,466**	1,338	1,159	2,497
Cost of sales		**(949)**	**-**	**(949)**	(834)	(955)	(1,789)
Gross profit		**517**	**-**	**517**	504	204	708
Other operating income		**233**	**-**	**233**	205	-	205
Operating expenses (including exceptional items)		**(1,991)**	**-**	**(1,991)**	(2,082)	(352)	(2,434)
Loss from operations before exceptional items		**(1,197)**	**-**	**(1,197)**	(1,144)	(148)	(1,292)
Exceptional items	3	**(44)**	**-**	**(44)**	(229)	-	(229)
Loss from operations		**(1,241)**	**-**	**(1,241)**	(1,373)	(148)	(1,521)
Finance charge		**(244)**	**-**	**(244)**	(232)	(20)	(252)
Loss before income tax		**(1,485)**	**-**	**(1,485)**	(1,605)	(168)	(1,773)
Income Tax	4	**96**	**-**	**96**	133	-	133
Loss for the period		**(1,389)**	**-**	**(1,389)**	(1,472)	(168)	(1,640)
Loss attributable to:							
– Owners of the parent company		**(1,316)**	**-**	**(1,316)**	(1,488)	(168)	(1,656)
– Non-controlling interest		**(73)**	**-**	**(73)**	16	-	16
		(1,389)	**-**	**(1,389)**	(1,472)	(168)	(1,640)
Loss per share attributable to the equity holders of the Company:							
Basic and diluted loss per share	5	**(0.03)p**	**-**	**(0.03)p**			(0.23)p

There is no other comprehensive income for the period.

Group statement of financial position

As at 31 March 2025

	Note	31 March 2025 Unaudited £'000	30 September 2024 Audited £'000
Assets			
Non-current assets			
Intangible Assets	6	**2,091**	2,300
Property, plant and equipment		**1,518**	1,627
Trade and other receivables		**276**	347
		3,885	4,274
Current assets			
Inventory		**732**	938
Trade and other receivables		**920**	1,281
Cash and cash equivalents		**852**	145
		2,504	2,364
Total assets		**6,389**	6,638
Equity			
Called up share capital – ordinary shares		**446**	233
Called up share capital – deferred shares		**3,424**	3,424
Share premium		**38,729**	38,284
Merger reserve		**1,017**	1,017
Share-based payment reserve		**5,436**	5,436
Accumulated losses		**(48,886)**	(47,570)
Equity attributable to owners of the parent company		**166**	824
Non-controlling interest		**(2,053)**	(1,981)
Total equity		**(1,887)**	(1,157)
Liabilities			
Non-current liabilities			
Trade and other payables		**654**	637
Deferred grant income		**323**	-
Deferred taxation		**6**	6
Innovate loan		**5,000**	4,500
Long-term borrowings		**285**	475
		6,268	5,618
Current liabilities			
Trade and other payables		**1,183**	1,167
Deferred Grant		**290**	-
Invoice discounting advances		**163**	112
Innovate Loan		**-**	500
Current portion of long-term borrowings		**372**	398
		2,008	2,177
Total liabilities		**8,276**	7,795
Total equity and liabilities		**6,389**	6,638

Statement of Group cash flows

For the 6 months ended 31 March 2025

	6 months ended 31 March 2025 Unaudited £'000	6 Months ended 31 March 2024 Unaudited £'000
Cash flows from operating activities		
Cash used in operations	**(86)**	(658)
Interest paid	**(209)**	(114)
Net cash used in operating activities	**(295)**	(772)
Cash flows from investing activities		
Purchase/capitalisation of intangible assets	**(28)**	(17)
Purchase of property, plant and equipment	**(77)**	(1)
Net cash used in investing activities	**(105)**	(18)
Cash flows from financing activities		
Share issue	**696**	1,470
Share issue costs	**(38)**	(77)
Deferred Grant Income	**613**	-
Net funds (paid)/received from CBILS	**(5)**	(38)
Principal payment of leases under IFRS 16	**(210)**	(240)
Invoice discounting loan (repayments)/proceeds	**51**	(224)
Net cash generated from financing activities	**1,107**	891
Increase in cash and cash equivalents	**707**	101
Cash and cash equivalents at start of period	**145**	596
Cash and cash equivalents at end of period	**852**	697

Note to the statement of Group cash flows

For the 6 months ended 31 March 2025	**6 months ended 31 March 2025 Unaudited £'000**	6 months ended 31 March 2024 Unaudited £'000
Loss before income tax	**(1,485)**	(1,773)
Adjustments for:		
Share-based payments	**-**	147
Depreciation	**187**	347
Amortisation	**237**	12
Finance cost	**244**	252
R&D Tax credit received	**96**	133
Increase/(Decrease) in trade and other receivables and investments	**432**	(110)
(Increase)/Decrease in inventories	**206**	239
(Decrease)/Increase in trade and other payables	**(3)**	95
Cash used in operations	**(86)**	(658)

Discontinued operations

	6 months ended 31 March 2025 Unaudited £'000	6 months ended 31 March 2024 Unaudited £'000
Net cash generated/(used) in operating activities	**-**	**102**
Net cash used in investing activities	**-**	**-**
Net cash generated/(used) from financing activities	**-**	**(93)**
Increase/(decrease) in cash and cash equivalents from discontinued operations	**-**	**9**

Notes to the unaudited interim statements

For the 6 months ended 31 March 2025

1. Basis of preparation

Versarien Plc is an AIM quoted company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered office is Units 1A-D, Longhope Business Park, Monmouth Road, Longhope, Gloucestershire, GL17 0QZ.

The interim financial statements were prepared by the Directors and approved for issue on 30 June 2025. These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2024 were approved by the Board of Directors on 26 March 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006. The report contained reference to a material uncertainty related to going concern.

As permitted, these interim financial statements have been prepared in accordance with UK AIM Rules and UK-adopted IAS 34, "Interim Financial Reporting". They should be read in conjunction with the annual financial statements for the year ended 30 September 2024, which have been prepared in accordance with UK-adopted international accounting standards, consistent with the IFRS framework adopted in UK law. The accounting policies applied are consistent with those of the annual financial statements for the period ended 30 September 2024, as described in those financial statements. Where new standards or amendments to existing standards have become effective during the year, there has been no material impact on the net assets or results of the Group.

These interim financial statements have been prepared on a going concern basis under the historical cost convention. However, whilst the Company continues to develop and seek to commercialise its graphene technology it remains reliant upon the capital markets and/or asset sales to continue as a going concern up until such time as it generates sufficient revenues to cover its costs.

As at 31 March 2025, the Group had net liabilities of £1.9 million. As at 30 June 2025 the Group has current bank balances of £0.65 million and headroom on its invoice discounting facilities of £0.03 million, which includes £0.54 million relating to specific grant funding to be used over the next 2 years. If no further external financing is received, with the free cash available of £0.11 million the group will cease to be able to pay its liabilities as they fall due by August 2025.

In order to assess the appropriateness of preparing the interim statements on a going concern basis the Directors have prepared detailed projections of expected future cash flows for the period to 30 September 2026. Based on these projections, which include the previously referred to Group re-organisation, the Group needs to raise finance over the next 12 months in order to enable the Group to continue to pay its liabilities as they fall due. The sources of this funding requirement are expected to come from a combination of the following:

- Effecting a successful group re-organisation to simplify the corporate structure and reduce overheads.
- Using the remaining capital authorities and renewal of those authorities to raise additional funds from the issue of new equity via a conventional placing and/or by way of strategic investment.
- The sale of Total Carbide Limited, a wholly owned subsidiary undertaking, in the foreseeable future.

In addition to the above sources of funds, The Directors have assumed in the cash flow forecast that Innovate UK will not demand early repayment of the £5 million loan as a result of any potential covenant breaches.

The Group is dependent on raising new equity funding by August 2025 to remain a going concern. This indicates that a material uncertainty exists. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

After due consideration, including the Company's history in raising capital, the Directors have concluded that it is appropriate to prepare the interim statements on a going concern basis. In making their going concern assessment, the Directors have a reasonable expectation that sufficient additional funding will be raised to enable the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of issue of the interim statements. Accordingly, the interim statement has been prepared on the going concern basis whilst recognising that a material uncertainty exists in this respect. The interim statement does not include the adjustments that would result if the Group was unable to continue as a going concern.

Certain statements within this report are forward looking. The expectations reflected in these statements are considered reasonable. However, no assurance can be given that they are correct. As these statements involve risks and uncertainties the actual results may differ materially from those expressed or implied by these statements. The interim financial statements have not been audited

2. Segmental information

The segmental analysis for the 6 months to 31 March 2025 is as follows:

	Central	Technology Businesses	Mature Businesses	Intra-group Adjustments	Discontinued operations	TOTAL
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Revenue		311	1,155	-	-	1,466
Gross Margin	-	28	489	-	-	517
Other operating income	-	233	-	-	-	233
Operating expenses	(367)	(722)	(414)	(20)	-	(1,523)
LBITDA	(367)	(461)	75	(20)	-	(773)
Depreciation & amortisation	(5)	(339)	(80)	-	-	(424)
Share based payments	-	-	-	-	-	-
Exceptional items	(44)	-	-	-	-	(44)
(Loss)/ profit from operations	(416)	(800)	(5)	(20)	-	(1,241)
Finance income/(charge)	(195)	(28)	(21)	-	-	(244)
(Loss)/profit before tax	(611)	(828)	(26)	(20)	-	(1,485)

The segmental analysis for the 6 months to 31 March 2024 is as follows:

	Central	Technology Businesses	Mature Businesses	Intra-group Adjustments	Discontinued operations	TOTAL
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	-	277	1,061	-	1,159	2,497
Gross Margin	-	138	366	-	204	708
Other operating income	-	202	3	-	-	205
Operating expenses	(232)	(724)	(422)	(4)	(317)	(1,699)

LBITDA	(232)	(384)	(53)	(4)	(113)	(786)
Depreciation & amortisation	(11)	(145)	(168)	-	(35)	(359)
Share based payments	(147)	-	-	-	-	(147)
Exceptional items	(226)	(3)	-	-	-	(229)
(Loss)/ profit from operations	(616)	(532)	(221)	(4)	(148)	(1,521)
Finance income/(charge)	(173)	(31)	(28)	-	(20)	(252)
(Loss)/profit before tax	(789)	(563)	(249)	(4)	(168)	(1,773)

3. Exceptional items

Exceptional items of £44,000 (2024: £229,000) relate principally to restructuring costs.

4. Taxation

The tax credit of £96,000 (2024: £133,000) relates to R&D tax credits received in the period. The charge on the results for the period has been estimated at £nil (2024: £nil). At the last year end the Group had £20.55 million of trading losses carried forward to set-off against future trading profits.

5. Loss per share

The loss per share has been calculated by dividing the loss after taxation of £1,316,000 (2024: £1,656,000) by the weighted average number of shares in issue of 3,858,807,000(2024: 710,245,000 during the period.

The calculation of the diluted earnings per share is based on the basic earnings per share adjusted to allow for the issue of shares on the assumed conversion of all dilutive options. However, in accordance with IAS33 "Earnings per Share", potential Ordinary shares are only considered dilutive when their conversion would decrease the profit per share or increase the loss per share. As at 31 March 2025 there were 6,876,000 (2024: 7,206,160) potential ordinary shares that have been disregarded in the calculation of diluted earnings per share as they were considered non-dilutive at that date.

6. Intangible assets – carrying value

	31 March 2025 Unaudited £'000	30 September 2024 Audited £'000
Patents, trademarks and other	**490**	471
Development costs	**1,601**	1,829
Total	**2,091**	2,300

7. Interim Report

This interim announcement is available on the Group's website at www.versarien.com