

Redcar's Applied Graphene Materials receives buyer interest amid funding challenges

A decision on the future of Applied Graphene Materials could be made in the coming weeks, a new update from the company suggests.

The Redcar-based graphene dispersion specialist told the London Stock Exchange it had received takeover proposals from “interested parties” and now hopes to receive final offers so a decision can be made by the firm’s board in early January. It comes as 12-year-old Applied Graphene has faced funding challenges and had started [redundancy consultations](#) with staff as a precaution in case a strategic review led by consultants did not find a way to plug the finance gap.

The firm, which employs about 30 people, has previously said it has enough cash to continue trading until the end of January, and in this latest update to investors it said some of the offers on the table would require interim financing. Applied Graphene’s share price fell sharply in November when it announced it was in a race to find funding, and it rallied slightly on news of a possible future deal.

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Earlier in 2022 Applied Graphene reported increased operating losses of £1.9m although overall revenue increased from £42,000 to £46,000. Covid had impacted its key market as customers’ focus shifted away from research and development and supply chain issues had also caused a “severe impact”. At the time, the firm said that, despite the challenges, more

potential customers were becoming interested in graphene's uses and that it had leased further space at its Wilton base to accommodate anticipated increased demand.

Graphene is the thinnest and lightest material known to science and has good strength and conductivity qualities. The firm is built around technology first developed at Durham University and specialises in creating dispersions – suspensions of graphene nanoplatelets in the likes of coatings, paints and lubricants.

In an update to the London Stock Exchange, the company said: “Current discussions with interested parties may be altered or terminated at any time and, accordingly, there can be no certainty that any final proposals will be made, nor as to the terms on which any such final proposals may be made. The board previously notified that the company has sufficient working capital to continue in operation until January 31, 2023.

“The board continues to take action to seek to protect the financial position of the company, its shareholders and creditors in the event that the strategic review does not achieve a satisfactory conclusion. In parallel with the strategic review, the process of statutory redundancy consultations with the group's employees announced on November 23, 2022 is therefore ongoing.”

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