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27 May 2016

**Directa Plus plc
("Directa Plus", the "Company" or the "Group")**

Admission and First Day of Dealings

Directa Plus, a producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to announce that trading in its Ordinary Shares commenced at 8.00am BST today on AIM ("Admission").

The Company has successfully raised approximately £12.8 million pursuant to the placing of 17,033,334 new Ordinary Shares at 75 pence per share (the "Placing Price"). The Group is trading under the ticker symbol DCTA.L. Cantor Fitzgerald Europe ("Cantor Fitzgerald") is acting as Nominated Advisor and Broker to the Company.

Highlights:

- Based on the Placing Price, the market capitalisation of the Company on Admission is approximately £33.2 million
- Gross proceeds of approximately £12.8 million have been raised for the Company which will be used, inter alia, to support the growth strategy of the Company and to capitalise on the pipeline of commercial opportunities the Group is currently exploring with existing and potential partners
- Following Admission, the Company has 44,212,827 Ordinary Shares in issue
- Directa Plus' ISIN is GB00BSM98843 and its SEDOL is BSM9884

Giulio Cesareo, Chief Executive Officer of Directa Plus, said:

"We are delighted to be joining AIM. We believe our listing will enhance our profile and visibility with customers and partners, particularly in our key growth markets. The monies raised will enable us to capitalise on the pipeline of commercial opportunities that we are exploring with existing and potential partners. We welcome our new shareholders, whilst at the same time thank our existing long-term shareholders for their continuing support, and look forward to continuing the growth of the Company as we develop our pipeline of projects and position Directa Plus as a leading producer and supplier of graphene-based products."

Sir Peter Middleton, Chairman of Directa Plus, added:

"We are delighted with the support shown by both UK and European investors for our admission to AIM. Our focus remains on satisfying the growing demand from potential customers in our core sectors and to partner with them to create new products that are significantly enhanced. With a strong balance sheet now in place, the Company is well positioned to capture the significant market opportunity."

Copies of the Company's Admission Document (dated 24 May 2016) is available from the Company's website www.directa-plus.com.

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Notes to Editor

History and Background

Directa Plus was founded on 22 March 2005 and its manufacturing facility is located at the Como Science and Technology Park in Lomazzo, Italy. The initial strategy was to create a company that was able to produce sustainable nano-materials at a reasonable price using scaleable production process. The final aim was to focus on specific existing markets and in particular ones where their experience in graphite suggested strong market opportunities for graphene. In June 2006, the Group filed its first patent application for Directa Plus' super expansion G+ production process. After funding the initial development of its graphene production process through the founder shareholders, in 2009 the Company obtained external funding from Quadrivio Capital. This provided the Company with the additional capital required to further develop its graphene processes. In June 2010, the Group was granted the patent for its super expansion production process by the US patent and trademark office.

During the last twelve months, collaborations between Directa Plus and its partners to develop commercial products have begun to translate into commercial sales. In October 2015, Vittoria launched its new range of high-performance bicycle tyres and wheels incorporating Directa Plus' G+ technology. In December 2015, following successful remediation work on contaminated water in Italy and Romania using Directa Plus' Grafysorber® product, the Group sold three mobile decontamination units for tackling environmental emergencies. In January 2016, at the international sport fair, ISPO, held in Munich, in collaboration with Colmar, the high-end Italian sports and activewear company, a sports clothing collection (comprising ready-to-wear ski jackets for men and women, ski suits, technical underwear and a polo shirt) incorporating Directa Plus' G+ product was launched. This was the first application of Directa Plus' graphene nanotechnology in sportswear. Directa Plus has now created a range of graphene products, in powder, paste and liquid form, all under the G+ brand and has supplied more than 2.2 tonnes of graphene-based products in the last 18 months.

Graphene and the Market Opportunity

Graphene is the main building block of all graphite materials. In its purest form, graphene is a single sheet of carbon atoms arranged in a 2D honeycomb lattice. Graphene was first isolated in 2004 by academics in the UK and since that date the exploration of the commercial market opportunities for graphene has been researched extensively. In its purest form, graphene possesses a strong combination of electrical, mechanical and thermal properties, which gives it the potential to replace existing materials in a wide range of applications and, in the longer term, to enable new applications. The specific properties of graphene are:

- A surface area of around 2,630 m² per gram that can facilitate any chemical process;
- Mechanical resistance that is approximately 200 times greater than steel;
- Thermal conductivity that is more than twice that of diamond;
- A density equal to half that of aluminium;
- Elasticity equal to six times that of steel; and
- Very high electrical conductivity, transparency, lightness and flexibility.

Because of the unique characteristics of graphene, there has been significant investment in exploring the potential commercial applications of graphene. The global graphene market has seen a rapidly rising number of patent applications being filed and the graphene market is estimated to show a CAGR of 42 per cent. between 2014 and 2022, growing from \$62.4 million in 2014 to \$1,039 million by 2022. To date however, most of the activity relating to graphene has been on research and development activities where production has been of small batches produced in laboratories. The Directors believe that historically, most of the activity in the graphene sector has been focused on the following key areas:

- Smart textiles – thermal and electrical conductivity, barrier properties and wearable electronics;
- Composites – adhesives, sealants and high performing polyester and epoxy resins for enhanced mechanical, thermal, electrical and permeation properties, brake pads and other friction materials;
- Elastomers – combination with silicon for heat management, replacement of carbon black in tyres;
- Energy storage – improvements to carbon based lithium ion batteries and supercapacitors;
- Conductive inks and other functionalised coatings such as anti-corrosion coatings, transparent conducting electronics, biomedical and industrial sensors; and
- Advanced electronics – replacement for indium tin oxide and use in semi-conductors.

Directa Plus has already developed to a commercial stage some applications, in particular tyres, water filtration, thermal, conductive and high strength composites, and is also undertaking research and development work with potential customers to develop graphene applications in the wearable technologies, lithium ion batteries and lubricant markets. Whilst the latter markets represent good medium to longer term opportunities, the Group's near term commercial focus will be on those areas where commercial applications are already established. Whilst the market opportunity is significant, the Directors believe that to fully capture the market opportunity, the ability to produce graphene on a consistent basis, on an industrial scale and in different forms to address the differing requirements of the potential market applications are of crucial importance.

Directa Plus' Manufacturing Capability

A key focus for the Board was the ability of the Group to have in place the manufacturing capability to address the commercial market opportunity. The Board recognised the development work being undertaken by companies in the graphene sector to confirm the commercial opportunity for graphene but believed that an essential component of their discussions with potential commercial partners was the ability to produce graphene on a commercial scale.

Directa Plus has therefore established what the Directors believe to be the largest European pristine GNP production plant in Lomazzo, Italy. The production facility in Lomazzo, Italy was designed with a modular structure and has a production capacity of up to 30 t/a for Directa Plus' Grafysorber® product. The key features of Directa Plus' production facility and production process are its:

- Low production costs with limited energy inputs required and no chemicals and solvents;
- A production methodology that is proven to deliver consistent, pristine GNP's;
- Control of GNP morphology to tailor the Group's high aspect ratio GNP's;
- A continuous, efficient production process with minimal waste; and
- A low cost of capital investment and a modular design which the Directors believe facilitates ease of scale up to address increasing requirements for Directa Plus' graphene products.

The Company's manufacturing output is a mixture of 3D (being the Basic G+ (Grafysorber®) and Ultra G+ products) and 2D (being Liquid G+, Paste G+, Pure G+ and Zapp G+ products) materials. The overall potential production capacity from the Company's existing facility in Italy has been increased to 30 t/a (of 3D materials) of which 4.2 tonnes could be 2D material. In 2015, the Company operated on a single shift and produced and sold approximately 1.3 tonnes of graphene based products of which 0.1 tonnes was 3D material and 1.2 tonnes of 2D material. Having regard for the existing orders already received and the pipeline of opportunities, the Directors believe that in 2016 the production output will continue to increase. To satisfy anticipated demand, the Company installed an additional exfoliator in

January 2016 which enabled it to increase the production of its 2D graphene products up to 7.8 tonnes and the Company has already commenced a second shift to satisfy orders for its graphene.

Part of the proceeds of the Placing will be used to further improve the Group's capacity in Italy by adding additional exfoliators thereby enabling it to increase its maximum production capacity of 2D material to 15 t/a. In addition, the Directors intend to use part of the proceeds of the Placing to invest in a production plant in Thailand to establish a manufacturing presence in the important and fast growing Far East markets.

The plant will provide a second production site and when completed will provide the Group with an additional potential production capacity of approximately 50 t/a (of which 29 tonnes could be 2D material). The new facility in Thailand is expected to be completed by the end of the first quarter of 2017. Following the additional investment in Italy and the completion of the new plant in Thailand the Directors expect the Group to have a possible overall annual production capacity of 80 t/a of 3D material and from that, 44 t/a of 2D material by the end of 2017.

The Company has already identified a location and premises for its new production facility in the South-East of Thailand in an area that the Directors believe will provide the Company with good future opportunities. The key benefits that are expected from this investment are:

- A prominent industrial location – the Directors have identified a site that is very close to Vittoria, its principal customer in the region. The location also provides Directa Plus with potential exposure to a substantial cluster of leading automotive and plastic and polymer suppliers. There are several large OEM plants operating nearby including Ford, GM, Mazda, Suzuki and SAIC Motor and the Directors believe that the automotive sector should provide a good long term opportunity for the Company's graphene products;
- Enhanced access to Far East markets – the Directors believe that Far East markets demonstrate a willingness to adopt new technologies which is a major attraction for Directa Plus as it seeks to extend into new customers applications and markets; and
- Important additional capacity – Directa Plus has rapidly growing commercial sales and a strong pipeline of commercial opportunities across its targeted markets. The Directors believe that the Company has already established itself as a leading European producer of high aspect ratio, pristine GNP's and believe that there is now a clear need to expand production capacity to cope with anticipated demand. A second production location provides the security of supply that will be required by customers launching products that depend on graphene for their enhanced performance.

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical fact included in this announcement are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding the Directors' or the Group's intentions, beliefs or current expectations concerning, among other things, its operating results, financial condition, prospects, growth, expansion plans, strategies, the industry in which the Group operates and the general economic outlook.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and therefore are based on current beliefs and expectations about future events. Forward-looking statements are not guarantees of future performance and the Group's actual operating results and financial condition, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Group's operating results, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. Accordingly, prospective investors should not rely on these forward-looking statements.

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