

18 June 2018

Directa Plus plc
("Directa Plus" or the "Company")

AGM Statement

Directa Plus (AIM: DCTA), a producer and supplier of graphene-based products for use in consumer and industrial markets, announces that at the Annual General Meeting of the Company, which is being held today at 3.30pm, Sir Peter Middleton, Chairman of Directa Plus, will make the following statement.

"During 2017 we made significant commercial progress across our four key target markets and I am pleased to report that this momentum has continued into 2018. We have a strong pipeline of opportunities for near term commercial progress and continue to broaden our portfolio of patents with two patents granted in 2018 covering our non-toxic flame retardancy composition for the textiles market and our new graphene-based solution for enhancing the performance of tyres, which were awarded by the US and Italian patent offices respectively. Both of these offer significant market opportunities and have already stimulated substantial interest in the capabilities of our graphene nanoplatelets (G+ materials).

"It is testament to our position within the industry that the National Graphene Association, the main organisation and body in the US advocating and promoting the commercialisation of graphene and addressing critical issues such as standards and policy development, has invited Directa Plus to join as a new Corporate Partner and for Giulio Cesareo to join the Advisory Board.

"Now turning to the progress in our key target markets.

"In the Environmental sector, Grafysorber[®] is the only commercially-available graphene-based solution for treating produced water in the oil & gas industry – making it a disruptive product with a very substantial market opportunity.

"We achieved a significant milestone in March 2018 with the signing of a commercial agreement with Sartec Srl (part of Saras Group, one of the largest refineries in Europe) to jointly develop and promote a continuous commercial-scale industrial system using Grafysorber[®] for treating oil-contaminated produced water in the oil & gas industry. We are making good progress in building this plant and are in discussions with Sartec on the options for establishing an operational structure to commercialise the process going forward.

"Work continues with two leading Romanian integrated oil & gas companies for field testing Grafysorber[®] for treating oil-contaminated water. OMV Petrom have completed industrial testing for continuous treatment at an oil treatment plant and for oil spill remediation with excellent results. Trials are underway with GSP SA, with good results to date.

"In the Textiles sector, the benefits of our chemical-free G+ are widely understood and we are increasingly engaging with global brand owners and textile companies who want to enhance the performance of their end products through leveraging its bacteriostatic, thermal management and fire retardant properties. As a result, we continue to add new customers as well as having current customers launch larger numbers of graphene-enhanced products into the market.

“A key development in this market is our recent signing of an exclusive collaboration agreement with Arvind Limited, a leading textile-to-retail-and-brands conglomerate in India, to infuse the high-performance benefits of G+ into their denim fabrics. Each year Arvind produces over 100 million metres of fabrics and 6 million pairs of jeans and with a portfolio of brands including Gant, Levi’s, Nautica, Tommy Hilfiger and Wrangler. This represents a substantial opportunity for Directa Plus. Significant activity is already underway and we expect that the relationship will be broadened to include Arvind’s other textile segments (workwear) as well as other business areas within the wider Arvind group.

“We also continue to be very excited about the opportunities that our relationship with Alfredo Grassi could yield for Directa Plus. Grassi has a leading market position in the provision of workwear and customised uniforms across a range of sector verticals, and we are working closely to seek to expand the incorporation of G+ into these other markets.

“Finally, in our Elastomers and Composite Materials sectors, this year we entered into a strategic collaboration with Marangoni, a global leader in the tyre retreading industry, to develop a bespoke version of our G+ to improve the performance of Marangoni compounds in truck and bus tyre retreading. The incorporation of G+ offers both economic and environmental benefits for tyre retreading – representing a substantial market opportunity. This is an important milestone as we leverage the know-how and experience gained in the bike tyre industry to transition into the automotive markets, which we believe is a key target market for future growth. Initial testing is already underway, with excellent results, and road tests are planned for later this year.

“In other Elastomer and Composite activities, we have received a third order for G+ from a leading manufacturer of brake pads; and we are actively engaging with a range of automotive customers who are increasingly recognising the significant performance benefits offered by G+.

“This substantial activity across our key markets would not be possible without our proprietary chemical-free production process. This process enables us to produce consistent G+ materials, to control material thickness and aspect ratio as well as offering single layer graphene so as to meet the exact technical requirements of our existing and potential customers.

“With more and more customers preparing to launch products incorporating G+, we remain confident of securing future orders and delivering significant progress in full year 2018 and beyond. The opportunities for G+ remain substantial and we are focused on leveraging our strong market position and investing in our sales efforts to realise these significant commercial opportunities. I thank you, our shareholders, for your continuing support and I look forward to reporting on our continued commercial progress.”

Enquiries

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About Directa Plus

Directa Plus is one of the largest producers and suppliers of graphene-based products for use in consumer and industrial markets worldwide. By incorporating Directa Plus' unique graphene blends, identified by the G+ brand, its customers can enhance the performance of their end products without significantly increasing their cost. Directa Plus graphene-based products are natural, chemical-free, sustainably produced and tailored to specific customer requirements for commercial applications such as smart textiles, tyres, composite materials and environmental solutions.

Established in 2005, the Company has a patented technology process and a portfolio of product and application patents. It produces its graphene-based products at its own factory in Lomazzo, Italy, with a scalable and exportable manufacturing model enabling the set-up of additional production at customer locations to reduce transport costs, waste and time-to-utilisation. Directa Plus partners with customers to enable them to offer the high-performance benefits of graphene in their own products.