

15 January 2018

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

Pre-Close Trading Update

Directa Plus plc (AIM: DCTA), a leading producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to provide a trading update for the year ended 31 December 2017.

The Company performed well during the second half of 2017 with revenues from the sale of graphene-based products to customers more than doubling over those achieved for the first half. As a result, the Board anticipates reporting full year 2017 revenue of approximately €0.9m. The financial position of the Company remains robust with year-end cash and cash equivalents expected to be approximately €7m (30 June 2017: €8.2m).

Directa Plus made excellent commercial progress during 2017 that has reinforced the Company's leading position in the graphene market. Key highlights in the year included:

Increased Commercial Traction

- A significant increase in the number and depth of customer engagements that are expected to deliver future revenues in targeted markets, in particular in the textile and environmental segments. The Company had 35 active customers at 31 December 2017 (FY 2016: 16).
- Entering into a Joint Development Agreement with Alfredo Grassi to assess the benefits of incorporating Directa Plus' graphene into their workwear products that successfully progressed into a signed €0.6m contract in September 2017 for the supply of Graphene Plus (G+) materials. The Company believes this order represents the largest amount of textile material to be treated with graphene nanoplatelets by any company to date.
- Four new strategic Joint Development Agreements signed with some of the world's largest companies operating in the Company's target markets.
- Encouraging order book to deliver Directa Plus' graphene to customers in 2018.

Encouraging progress in commercialisation of Grafysorber®

- Industrial field testing of Grafysorber®, completed in December 2017 in an oil treatment plant of one of the largest oil and gas groups in southern Europe, demonstrated better-than-expected results in the continuous decontamination of produced water.
- Grafysorber® has a unique and proven oil adsorption capability, substantiated through extensive trials, that results in it being five times more effective for water decontamination than existing technologies.
- Grafysorber® is a revolutionary new material that is capable of delivering material future revenues to the Company.

Positioning the Company to Increase Sales

- A substantial increase in production capacity and efficiency, underpinning the Company's ability to produce consistent, certified production at high tonnages and at a price that can satisfy the requirements of large supply chains.
- The achievement of independent certifications that G+ textiles are non-irritating and safe for human skin. This includes a new hypoallergenic certification, received in December 2017, confirming that G+ textiles do not cause allergic reaction in human skin. The Company's production process is chemical-free and these certifications are key for the widespread adoption of G+ materials in the textiles industry and are an additional source of competitive advantage.
- The launch of the Company's Advanced Development Area ('ADA') dedicated to water treatment solutions, textile developments, new and enhanced grades of G+ materials, and material analysis. The ADA has allowed the Company to work in closer collaboration with its customers and development partners and to reduce the time required to introduce new products.

Further details will be provided in the Company's Full Year Results announcement for the year ended 31 December 2017, which is expected to be released in late April 2018.

Giulio Cesareo, Chief Executive Officer of Directa Plus, said: “We continue to operate at the forefront of the rapidly developing graphene market that has seen Directa Plus consolidate its position as one of the leading companies in the textile and environmental segments. Our unique and proven technology, combined with commercial effectiveness and our ability to produce graphene-based products at high tonnage, continues to place us at a significant advantage over emerging competitors, many of whom have yet to scale their operations.

“This year has been characterised by the development and introduction of ground-breaking new products and marked performance enhancements to existing materials when combined with our G+ graphene. As a result, our commercial engagement with customers has grown and deepened significantly, and we expect to announce further material orders, additional collaborations and partnerships over the coming year. We have entered 2018 with a much-improved order book compared with last year and, accordingly, the Board looks forward to 2018 with growing confidence.”

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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 scalable and exportable manufacturing model. It produces graphene-based products at its own factory in Lomazzo, Italy, and can set up 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.