

RNS Intention to Float

Potential Intention to Float on LSE

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Tirupati Graphite PLC
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28 September 2020

Tirupati Graphite plc ('Tirupati' or the 'Company')
Potential Intention to Float on London Stock Exchange

Tirupati Graphite plc, the fully-integrated, cash generative, specialist graphite and graphene producer with operations in Madagascar and India, is pleased to announce its potential intention to undertake an initial public offering ('IPO' or the 'Offer') and the expected publication of its registration document (the 'Registration Document' or the 'Document'), which has been submitted to the UK Financial Conduct Authority ('FCA') for approval. The Company is considering applying for admission of its ordinary shares to the Official List of the FCA by way of a Standard Listing and to trading on the Main Market of the London Stock Exchange ('LSE').

Company Overview:

- Developing a fully integrated, flake graphite and graphene company;
- Substantially de-risked with first modules of primary and specialty graphite brought into production in 2019
- three complementary, revenue generative businesses with established low capital intensity and favourable operating cost structure;
- Current and planned activities include exploration for, mining, primary processing and production of flake graphite for industrial applications, downstream processing for high purity, expandable, micronised and shaped/spherical flake graphite and graphene manufacturing for hi-tech applications;
- Green and sustainable projects, processes, and products with an emphasis on applications that aim to reduce the world's carbon footprint;
- Operating in trending, high-growth graphite market - Electric vehicles, flame retardants, thermal management and composite materials; and
- Team with over 100 years' collective corporate, commercial, and technical experience in this industry.

Shishir Poddar, CEO of Tirupati Graphite, said: *"We are delighted to announce our potential intention to list our company on the London Stock Exchange. In our journey to become a fully integrated graphite and graphene company, serving a diversified marketplace, we have worked hard to establish multi-jurisdictional, cash-generative, sustainable operations. Having delivered on this initial strategy, we look forward to the next phase of growth and development as a listed company on the LSE."*

"Graphite and graphene are critical sustainable materials that are in increasing demand thanks to their extensive and unique properties and applications, which include in lithium-ion batteries, halogen free flame retardants, thermal management and more. We are the only UK registered natural graphite producer. Having established our maiden primary mining operations in Madagascar and downstream flame retardant graphite processing capabilities in India, we are well placed to further our modular growth plans to provide a complete basket of primary and specialty graphite products to a range of global consumers. Alongside this, through our offering of high-quality graphene, we intend to remain forerunners in the growing commercialisation of this nanomaterial. We very much look forward to this exciting new phase, which we believe will provide us with greater visibility and opportunity for growth as we build our market share. We welcome the opportunity to share with you further details of our company and listing plans in due course."

Potential Transaction Summary

Should the Company proceed with the Offering, the Offering is expected to have the following features:

- The Company's shares would be admitted to the Official List of the FCA by way of a Standard Listing and to trading on the Main Market of the LSE.
- The Offer would comprise new Shares to be issued by the Company with net proceeds from the issue of the new Shares to be used to build second phase of production across its established portfolio, support future growth, working capital and other general corporate purposes.
- Any additional details in relation to the potential offer, together with any changes to corporate governance arrangements would be disclosed in an Intention to Float ('ITF') announcement and/or the Prospectus, if and when published
- Tirupati has engaged Optiva Securities Ltd to act as Bookrunners to the IPO.

A copy of the Registration Document, once approved by the FCA, will be available to view at the registered office of Tirupati at 49 Berkeley Square, Mayfair, London, United Kingdom W1J 5AZ (subject to office opening hours) and on the Company's website at www.tirupatigraphite.co.uk. A copy will also be submitted to the National Storage Mechanism.

Access to supplemental information for bona-fide, unconnected research analysts: Unconnected sell side research analysts can obtain additional information, including a presentation, by contacting the Company's PR representatives, St Brides Partners Ltd, by emailing info@stbridespartners.co.uk or calling +44 (0) 20 7236 1177.

Business Highlights

- Tirupati is developing its project portfolio with a mission of becoming an integrated flake graphite and graphene company with three complementary yet independent business operations
- Its projects have been structured to produce flake graphite for industrial as well as new hi-tech and green applications with a special focus on developing sustainable, environmentally friendly operations and processes
- Tirupati's activities include exploration for, mining, beneficiation, production of flake graphite for industrial applications, downstream processing for high purity, intercalated, micronised and shaped/spherical flake graphite products for hi-tech applications and graphene production and application development structured as follows:
 - Primary Mining and Processing: through its two subsidiaries in Madagascar, the Company owns a graphite producing asset, the Sahamamy Project, and a near-term graphite producing asset, the Vatomina Project. With 33 km² of mining permit area valid for 40 years and renewable thereafter, Tirupati plans to increase production capacity to 81ktpa by 2024, substantially de-risking with each phase and aligning growth with graphite markets. The Company has completed stage 1 exploration, establishing a JORC (2012) resource for 14 years at full planned capacity, commissioned its first module of 3,000 tpa in March 2019 and is producing and shipping graphite globally with a product basket of 85% large flakes with up to 96% purity.
 - Downstream graphite processing: Tirupati has developed value added downstream processing technologies for high purity, expandable, micronised and spherical graphite. It has completed trials for these processes and plans to develop production capacities in India. The first module of a 1,200tpa expandable graphite based flame retardant additive manufacturing unit in India, the Patalganga Project, commenced first commercial sales of its trademarked CARBOFLAMEX® product following commissioning in July 2019. The Company is intending to further expand this project to 4,800tpa and develop a comprehensive downstream flake graphite processing plant, the Specialty Graphite Project, encompassing the multiple hi-tech specialty graphite products to a total capacity of 28.8ktpa by 2024.
 - Graphene: Tirupati has developed a proprietary environmentally friendly process and scalable technology for the manufacture of standardised high-quality graphene without the use of hazardous chemicals and enabling development of graphene applications in selected areas of prospective industrial bulk consumption. It is developing a research and technology centre, Tirupati Graphene and Mintech Research Centre ('TGMRC'), which shall consist of a graphene manufacture and application development facility, cutting edge research and industry focused technology development. The Company has tested the process at a kg/day scale and plans to build a capacity of 10kg/day. It is working with selected reputable research and development institutions, as well as a number of major industrial companies, for testing, analysis and application development, with the view of catalysing commercialisation of the material and creating collaborations with these parties in the near future.

Investment Drivers

The Board and management team believe that Tirupati is well-positioned for growth due to a number of key factors:

- **Cash generative and substantially de-risked**
 - Low CAPEX & OPEX multi-asset operations that are in production and revenue generative
- **Defined development**
 - Phased growth plans and organic development to mitigate risks on markets, technologies etc.
- **Fast-growing sector with multiple high growth consuming markets:**
 - With current global consumption of 1.2 million tpa, the graphite market is expected to grow to more than 2 million tpa by 2025 with multiple demand drivers, including rising demand from energy storage, electric vehicles, expandable graphite, thermal management, flame retardants and composites; a 1 GWh Li-ion Battery requires c.1,000 tons of graphite.
 - Flake graphite has over 150 applications and is classified as a critical resource by the US and EU. Over 90% of specialty graphite is currently manufactured in China and new sources of flake graphite outside of China are considered a necessity.
 - Since the discovery of graphene in 2004, extensive research has been undertaken around the world for the development of commercially viable technologies to manufacture it and for its applications, which have the potential substantially to contribute to a greener planet. The graphene market is growing strongly with multiple industries and applications.
- **Reflective and supportive of increased global focus on green energy**

Tirupati is committed to implementing and spearheading green technologies and materials across its operations.

Graphite and graphene extensively contribute to sustainability due to their ability to extensively increase energy efficiency, reduce energy requirements, reduce materials and fossil fuel requirements and provide halogen free flame retardants in applications including renewable energy generation, energy storage, lubrication and composites.
- **Proven team and technologies**
 - Strong management with over 100 years of successful collective corporate, commercial, and technical experience in the industry and extensive market reach.
 - Committed to delivering on its corporate strategy and building stakeholder value.
- **Integrated in the value chain**
 - It is presently estimated that about 75% of the total world consumption of flake graphite is currently used in industrial applications like refractories, crucibles, lubrication, frictional materials etc., with the remaining 25% in specialty, hi-tech applications and high growth applications such as electric vehicles, flame retardants, foils and gaskets, thermal management, conductive polymers and insulation.
 - Specialty graphite includes expandable, high purity, micronised and spherical graphite; these are produced using downstream processes on primary mined and beneficiated graphite, a process that adds 2-6 times of value to the primary processed graphite.
 - Graphene, being a single layer of flake graphite processed to become a 2D material, provides further integration into the value chain and upside opportunity, and creates greater market opportunity as it is highly conductive of heat and electricity and has excellent strength properties meaning it has an extensive range of applications, including energy harvesting and storage, biomedical technologies, electronics, composites and coatings, water filtration and sensors.

Growth Strategy

- Tirupati is committed to becoming a leading, fully integrated, cash generative, specialist graphite and graphene producer.
- The Company has a medium-term development strategy to grow and expand production capacity across its portfolio in a staged manner over a four-year period, focusing on minimising upfront investment capital requirements, progressing modularly with de-risking from each module and developing in accordance to the market dynamics of this niche material. This strategy has been deliberately crafted with flexibility to build on and enhance the businesses of the Company based on the evolution of the flake graphite and graphene industries and their derivative products:
 - Primary Mining and Processing, Madagascar: increase total capacity of primary flake graphite production to 81,000 tpa by 2024
 - The Company intends to develop six plants across the two Vatomina and Sahamamy projects. The first 3,000 tpa plant at Sahamamy has been completed and the second, 6,000 tpa at Vatomina, is in an advanced stage of construction
 - Downstream Processing, India:
 - Increase current production at 1,200tpa Patalganga plant to 4,800tpa by 2021 with increased processing capabilities (to include high purity and micronised graphite alongside current expandable graphite production)
 - Establish a 24,000tpa facility in two 12,000tpa stages via Specialty Graphite Project, commencing in Q3 2022 with capabilities to produce expandable, high purity, micronised and spherical graphite

- Graphene: the Company's objective is to catalyse the commercialisation of graphene applications by providing quality graphene at affordable prices to present and prospective end users. It intends to do this through the development of TGMRC in two phases:
 - Phase 1: creation of the basic facilities for (i) manufacture of 10 kilograms of "few layer" (3 to 8) graphene oxide and graphene per day, (ii) lab and pilot scale mineral processing and materials technology development, and (iii) material characterisation, assessment and research
 - Phase 2: introduce further high-end equipment and pilot scale facilities in extractive metallurgy and mineral processing technologies

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

**** ENDS ****

For further information, please visit <https://www.tirupatigraphite.co.uk/> or contact:

Tirupati Graphite Plc Puruvi Poddar	+44 (0) 20 3984 9894
Optiva Securities Limited (Broker) Daniel Ingram	+44 (0) 20 3137 1902
St Brides Partners Ltd (Financial PR) Charlotte Page / Cosima Akerman	+44 (0) 20 236 1177

Notes

Tirupati Graphite Plc, due to list on the London Stock Exchange's Main Market, is a cash-generative, multi-asset, multi-jurisdictional, fully integrated producer and developer of high-grade natural flake graphite, speciality graphite and graphene, which captures the entire value chain. With a unique set of properties, graphite has diverse applications with multiple growth streams and graphene forms the new generation of 2D materials. In support of this, the Company places a special emphasis on "green" applications, including renewable energy generation, energy storage and composites, and is committed to ensuring its operations are sustainable as well.

The Company's global operations include primary mining and processing in Madagascar, where the Company operates two key projects, Sahamamy and Vatomina, which are being developed as part of a modular plan; 3,000 tonnes p/a of high-quality flake graphite concentrate with up to 96% purity is currently being produced and sold to customers globally, and this is planned to increase to 81,000 tonnes p/a by 2024 as per the Company's modular medium-term development plan.

In India, the Company processes and produces speciality graphite for use in hi-tech applications like lithium-ion batteries, fire retardants and composites. Its specialty graphite processing operations include the 1,200 tonnes p/a Patalganga Project, which was successfully commissioned in July 2019 to manufacture and sell CARBOFLAMEX®, a trademarked fire-retardant expandable graphite product. At the next stage of development, Patalganga shall further be expanded to 4,800 tonnes p/a capacity with capabilities to also produce high purity and micronised graphite, increasing market and product reach. The Company has developed unique green processing technologies for manufacturing these advanced materials.

Post establishing itself in the specialty graphite markets through the Patalganga Project, an additional 24,000 tonnes p/a specialty graphite processing facility is to be established in two 12,000 tonnes p/a phases. The plant, once operational, will produce expandable, high purity, micronised and spherical graphite. West coast of India has been chosen as the location and a detailed feasibility study has been completed. Tirupati is also in the process of establishing the Tirupati Graphene and Mintech Research Centre, a state-of-the-art R&D centre focussed producing graphene, developing its applications and further developing environmentally friendly technologies for graphite and mineral processing. Land acquisition is in progress in Bhubaneswar, India, and a detailed feasibility study completed.

With over 100 years of successful collective corporate, commercial, and technical experience in this space, the Company's board and management team is committed to delivering on its corporate strategy and building stakeholder value.

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