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If you have sold or transferred all your Ordinary Shares in Versarien plc, please pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document.

Charles Stanley, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is the Company's nominated adviser and broker for the purposes of the AIM Rules. Charles Stanley is acting exclusively for the Company and will not be responsible to any other person for providing the protections afforded to its customers nor for providing advice in relation to the contents of this document or any other matter referred to herein. Charles Stanley has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Charles Stanley as to any of the contents or the completeness of this document.

The London Stock Exchange has not examined or approved the contents of this document. The Directors, whose names are set out at page 5, and the Company accept responsibility for the information contained in this document including individual and collective responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document, for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information. The whole of the text of this document should be read.

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# Versarien plc

*(Registered in England and Wales with company number 8418328)*

## Acquisition of 2-DTech Limited

**Placing of 21,153,847 new Ordinary Shares at 26p per share**

**Authority to allot shares, disapplication of pre-emption rights**

**Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman in this document, recommending you vote in favour of the Resolutions to be proposed at the General Meeting.**

Notice convening a General Meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 30 April 2014 at 10.30 a.m. is set out at the end of this document. Shareholders will also find enclosed with this document a Form of Proxy. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Share Registrars Limited as soon as possible but in any event not later than 10.30 a.m. on 28 April 2014. The completion and posting of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for, Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States nor do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan or any other territory outside the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document has come should inform themselves and observe any restrictions as to the Placing or the distribution of this document.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 1 May 2014 from the Company's registered office. Copies will also be available from the Company's website at [www.versarien.com](http://www.versarien.com).

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## PLACING STATISTICS

Number of Existing Shares	83,076,085
Number of Consideration Shares	846,153
Number of Placing Shares being placed on behalf of the Company	21,153,847
Number of Ordinary Shares in issue following completion of the Acquisition and Placing	105,076,085
Placing Price	26p
Estimated net proceeds of the Placing receivable by the Company	£5.2 million
Number of Placing Shares as a percentage of the Enlarged Issued Share Capital	20.13 per cent.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Despatch of this document	14 April 2014
Latest time and date for receipt of Form of Proxy	10.30 a.m. on 28 April 2014
General Meeting	10.30 a.m. on 30 April 2014
Admission of Placing Shares and Consideration Shares to trading on AIM	8.00 a.m. on 1 May 2014

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>“2-DTech”</b>	2-DTech Limited a company incorporated in England with registered number 08082567
<b>“Acquisition”</b>	the acquisition of 85 per cent. of the issued share capital of 2-DTech
<b>“Acquisition Agreement”</b>	The conditional share purchase agreement dated 14 April 2014 between the Company and The University of Manchester relating to the Acquisition
<b>“Admission”</b>	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by London Stock Exchange from time to time
<b>“Board” or “Directors”</b>	the directors of the Company whose names are set out on page 5 of this document
<b>“Charles Stanley”</b>	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited
<b>“Companies Act”</b>	the Companies Act 2006 (as amended)
<b>“Company” or “Versarien”</b>	Versarien plc (incorporated and registered in England and Wales with registered number 8418328) whose registered office is at Unit 12, Hollyhill Industrial Park, Hollyhill Road, Forest Vale Industrial Estate, Cinderford, Gloucestershire, GL14 2YB.
<b>“Consideration Shares”</b>	the 846,153 new Ordinary Shares proposed to be issued to The University of Manchester in part settlement of the consideration for the Acquisition
<b>“Enlarged Group”</b>	the Company and its subsidiaries following the Acquisition, including 2-DTech
<b>“Enlarged Issued Share Capital”</b>	the enlarged issued share capital of the Company immediately following completion of the Placing and Acquisition
<b>“Existing Shares”</b>	the 83,076,085 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
<b>“Form of Proxy”</b>	the form of proxy for use at the General Meeting, which is enclosed with this document
<b>“General Meeting” or “GM”</b>	the general meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 30 April 2014 at 10.30 a.m., notice of which is set out at the end of this document
<b>“Group”</b>	the Company and its Subsidiaries as at the date of this document
<b>“London Stock Exchange”</b>	London Stock Exchange plc

<b>“Notice of General Meeting”</b>	the notice of General Meeting set out at the end of this document
<b>“Ordinary Shares”</b>	the ordinary shares of 1 pence each in the share capital of the Company
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Placing Price pursuant to the placing agreement dated 14 April 2014 between the Company and Charles Stanley relating to the Placing
<b>“Placing Price”</b>	26 pence per Placing Share
<b>“Placing Shares”</b>	the 21,153,847 new Ordinary Shares to be issued in connection with the Placing
<b>“Proposals”</b>	the Placing and the Acquisition
<b>“Resolutions”</b>	the resolutions contained in the notice of General Meeting, which is set out at the end of this document
<b>“Shareholders”</b>	holders of Existing Shares
<b>“Total Carbide”</b>	Total Carbide Limited, a wholly owned subsidiary of Versarien
<b>“UK” and “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
<b>“University of Manchester”</b>	The University of Manchester, a Royal Charter Corporation registered under number RC00797 of Oxford Road, Manchester, M13 9PL
<b>“Versarien Technologies”</b>	Versarien Technologies Limited, a wholly owned subsidiary of Versarien.

## LETTER FROM THE CHAIRMAN

# Versarien plc

(Registered in England and Wales No. 8418328)

### Directors:

Ian Balchin (*Non-executive Chairman*)  
Neill Ricketts (*Chief Executive Officer*)  
William Battrick (*Chief Technical Officer*)  
Christopher Leigh (*Chief Financial Officer*)  
Jeremy Veasey (*Non-Executive Director*)

### Registered Office:

Unit 12, Hollyhill Industrial Park,  
Hollyhill Road,  
Forest Vale Industrial Estate,  
Cinderford,  
Gloucestershire,  
GL14 2YB.

14 April 2014

Dear Shareholder

### Acquisition of 2-DTech

### Placing of 21,153,847 new Ordinary Shares at 26 pence per share

### Notice of General Meeting

#### Introduction

The Company has today announced that it has entered into a conditional agreement to acquire 85 per cent. of the issued share capital of 2-DTech, a start-up company from The University of Manchester which specialises in the supply, characterisation and early stage development of graphene products. The total consideration for the Acquisition is £440,000 to be settled by a mix of cash and new ordinary shares, with a further royalty arrangement capped at a maximum of £300,000 and an initial commitment to fund collaborative graphene projects with The University of Manchester up to a total maximum amount of £300,000.

In connection with the Acquisition, the Company has raised £5,500,000 (before expenses) through the placing of 21,153,847 new Ordinary Shares at 26 pence per share. The Placing is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting.

I am writing to you to give you notice of a General Meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 30 April 2014 at 10.30 a.m., formal notice of which is set out at the end of this document.

**The purpose of this letter is to outline explain the background to and reasons for the Acquisition and the Placing and explain why the Board considers the Resolutions to be in the best interests of the Company and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions as they intend to do in respect of the 26,808,633 Ordinary Shares held by them (representing 32.27 per cent. of the Existing Shares).**

#### Background to and reasons for the Acquisition

##### *History and business of 2D-Tech*

2-DTech is a start-up from The University of Manchester, the birthplace of graphene and home to the Nobel Prize winning academics, Professor Sir Geim and Professor Sir Novoselov. It has the ability to produce graphene by using either a chemical vapour deposition process in suspension or a 'milling' process, which is in development.

Following completion of the Acquisition, the Enlarged Group aims to establish the largest production facility in the UK for the manufacture of graphene. The Enlarged Group will seek to harness the existing Versarien team's skill set to commercialise and scale up graphene technology in collaboration with The University of Manchester. Versarien initially intends to select two 12 month rapid commercialisation projects to advance with The University of Manchester and discuss further collaborative projects.

### *Terms of the Acquisition*

Under the terms of the Acquisition Agreement, Versarien has conditionally agreed to acquire 561,000 of the 660,000 ordinary shares of 2-DTech currently in issue, equal to 85 per cent. of the entire issued share capital of 2-DTech.

The University of Manchester will retain a holding of 99,000 ordinary shares for a minimum of three years, equivalent to 15 per cent. of 2-DTech signifying their commitment to the collaboration.

The consideration for the Acquisition is £440,000 to be settled as to £220,000 in cash and as to £220,000 by the issue of the Consideration Shares. The consideration may be varied to the extent that 2-DTech's net assets are less than or exceed £150,000, subject to a maximum variance of £40,000 which will either increase or decrease the royalty cap referred to below.

Pursuant to the Acquisition Agreement, The University of Manchester has agreed not to dispose of any of the Consideration Shares until 31 July 2015, subject to certain exceptions.

### *Other material contracts*

Following the Acquisition, Versarien and The University of Manchester also intend to enter into a further agreement whereby Versarien will agree to fund at least two further graphene-related research projects to be undertaken by The University of Manchester commencing no later than 1 December 2014. The projects will be fully costed and will require Versarien to provide funding of up to £150,000 per project. Versarien will share in the rights to the intellectual property developed through these projects with The University of Manchester. Both projects must be completed by 31 December 2015 unless otherwise mutually agreed by the parties.

Following completion of the Acquisition, Versarien, The University of Manchester and Dr Branson Belle (Chief Technology Officer and current director of 2-DTech) will also enter into a royalty agreement whereby Versarien will pay The University of Manchester and Dr Branson Belle total royalty payments of up to £300,000 (as adjusted pursuant to the terms of the Acquisition) based upon 5 per cent. of the gross annual revenues of 2-DTech. This royalty agreement will in any event expire after 20 years. The royalties are to be shared between The University of Manchester and Dr Belle with the University receiving 94.8 per cent. of the royalties and Dr Belle receiving 5.2 per cent. of the royalties.

### **Details of the Placing**

In connection with the Acquisition, the Company has today announced that it intends to raise approximately £5.5 million, before expenses, through a conditional Placing of 21,153,847 new Ordinary Shares at a price of 26 pence per share. The Placing Shares have been placed by Charles Stanley with institutional and other investors. The Placing Shares will, following allotment, rank *pari passu* with the Existing Shares.

The Placing is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 1 May 2014 (or such later date as Charles Stanley and the Company may agree, being not later than 15 May 2014).

The Placing Price of 26 pence per share represents a discount of 7.14 per cent. to the closing mid-market price of Versarien ordinary shares on 11 April 2014, being the latest practicable date prior to the publication of the circular, as derived from the London Stock Exchange Daily Official List. The Directors believe that the Placing Price is fair and reasonable in so far as Shareholders are concerned and that the Placing is in the best interest of the Company.

Application will be made to London Stock Exchange for the Placing Shares to be admitted to trading on AIM and it is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings will commence in the Placing Shares on 1 May 2014.

The net proceeds of the Placing are expected to be £5.2m. As set out above, £220,000 will be applied for satisfaction of the cash consideration for 2-DTech and a further £300,000 will be applied to further graphene projects to be developed by The University of Manchester. The remainder of the funds will be applied for capital investment and working capital.

## **Current Trading**

### *Versarien Technologies*

Versarien Technologies has signed its first commercial contract for the development and pre-production supply of VersarienCu™ in DNA heat spreading plates to Thermacore, Inc. for the thermal management of medical testing devices. Versarien Technologies continues to make progress with a number of large global organisations and now has customers actively developing VersarienCu™ in their own specific applications. Versarien Technologies is in negotiations for a licence to occupy 8,000 sq ft premises, with the opportunity to take further space in phased stages up to 80,000 sq ft. The premises are fully fitted out with class leading facilities and can be occupied immediately.

### *Total Carbide*

Total Carbide has been successfully integrated into the Group and reported at the interim stage an approximate 10 per cent. operating margin with orders remaining strong.

### *Outlook*

The Board believes that the prospects for the Group remain extremely positive. The Company announced on 19 March that trading for second half, that is for the six months to 31 March 2014, is expected to be broadly in line with those of the first half, when the Company announced revenues of £1.1m and an operating loss, after non-recurring items of £363,000. The Board believes that the business of 2-DTech will not make a contribution to revenue in the current year. Trading prospects for the existing Group for the year to 31 March 2015 remains in line with current market forecasts.

## **Change of Nominated Adviser**

The Company announced on 10 April 2014 that Charles Stanley had been appointed as the Company's nominated adviser and broker with immediate effect.

## **General Meeting**

A notice convening the General Meeting to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 30 April 2014 at 10.30 a.m. is set out at the end of this document. The purpose of the General Meeting is to consider and if thought fit pass the following Resolutions to authorise the Directors:

1. to allot shares or grant rights to subscribe for or to convert any security into shares pursuant to section 551 of the Companies Act up to an aggregate nominal amount of £1,189,475.99; and
2. to allot shares or grant such rights free of the statutory pre-emption rights contained in section 561(1) of the Companies Act.

Resolution 1 will be proposed as an ordinary resolution and will therefore require the approval of a majority of Shareholders voting in person or by proxy at the General Meeting.

Resolution 2 will be proposed as a special resolution and will therefore require the approval of not less than 75 per cent. of Shareholders voting in person or by proxy at the General Meeting.

## **Action to be taken in respect of the General Meeting**

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Share Registrars Limited as soon as possible but in any event not later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.

If you complete and return a Form of Proxy, you may still attend and vote at the General Meeting in person should you decide to do so.



**Recommendation**

The Directors believe that the Proposals will promote the success of the Company for the benefit of the members as a whole and accordingly they unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own holdings of Ordinary Shares, totalling 26,808,633 Ordinary Shares, being approximately 32.27 per cent. of the current issued share capital of the Company.

Yours sincerely

**Ian Balchin**

*Non-executive Chairman*



# Versarien plc

(Registered in England and Wales with company number 8418328)

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Versarien plc (the "Company") will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 30 April 2014 at 10.30 a.m. to consider and, if thought fit, pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution:

### Ordinary Resolution

1. THAT the directors of the Company (the "Directors") be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,189,475.99 provided that this authority shall expire at the conclusion of the Company's annual general meeting to be held in 2014 save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired.

### Special Resolution

2. THAT, conditional on the passing of Resolution 1 above, the Directors be and are hereby generally empowered pursuant to Section 571 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) up to an aggregate nominal amount of £830,760.85 in connection with the Placing;
  - (b) otherwise than in connection with the Placing, up to an aggregate nominal amount of £105,076.08 (being equal to 10 per cent. of the aggregate nominal amount of the Company's issued share capital immediately following the completion of the Placing and Acquisition),

and such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2014 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

**C M Leigh**  
Secretary

Dated: 14 April 2014

### Registered Office:

Unit 12, Hollyhill Industrial Park,  
Hollyhill Road,  
Forest Vale Industrial Estate,  
Cinderford,  
Gloucestershire,  
GL14 2YB

**Notes:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolution and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolution) which may properly come before the meeting.
4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company's registrars no later than 48 hours before the time of the holding of the meeting. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.
6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.
7. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 6 p.m. UK time on 28 April 2014 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 6 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.



