

Directa Plus plc

(“Directa Plus” or the “Company” or, together with its subsidiaries, the “Group”)

Half Year Report

Strong Growth Continues

Directa Plus (AIM: DCTA), a leading producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to announce its half year results for the six months ended 30 June 2021.

During the period the Group delivered the best results in its history and maintained its focus on developing and delivering products and services in the Environmental Remediation and Textile verticals. In addition, the Company continued to deliver graphene enhancements to products in other areas where Directa Plus has identified significant potential commercial opportunities, such as Lithium-Sulphur batteries and composites.

Financial Highlights

- Revenue increased by +41% to €3.95m (1H2020: €2.81m)
- Total income increased by +60% to €4.56m (1H2020: €2.86m)
- EBITDA loss* reduced by -70% to €0.44m (1H2020: EBITDA loss of €1.47m)
- Loss after tax of €1.20m reduced by -51% (1H2020: loss of €2.45m)
- Cash at period end €5.19m (FY2020: €7.08m), in-line with management expectations

* EBITDA loss represents results from operating activities before tax, interest, depreciation and amortisation.

Commercial Highlights

Environmental remediation (75% of period revenue (1H2020: 77%))

- Significant progress has been achieved in environmental remediation: Setcar has developed business opportunities with large industry partners and Directa Plus’ Grafysorber® technology is rapidly gaining traction in the Oil & Gas industry.
- The first extension of Directa Plus’ contract with OMV Petrom for the provision of decontamination and oil recovery services using the Company's proprietary Grafysorber® technology has been completed. The parties agreed a c. €410,000 contract for a six-month services period.
- An additional tender has now been won and a further extension of the contract with OMV Petrom has been agreed, post period end in July 2021, with a four-year contract for a total value of c. €3.2m.
- Initial collaboration has commenced with REDA Oilfield UK for the production and distribution of Grafysorber® based products.

Textiles (24% of period revenue (1H2020: 19%))

- Strong progress has been achieved in the G+ filter applications highlighting the positive impact in face mask efficacy. The publication of a scientific paper by iScience, provided positive evidence for G+® filter fabric treated with PU G.
- Directa Plus launched its own showcase brand line of performance sportswear (Cosmic Collection), including polo shirts and softshell jackets.
- Ongoing technical and commercial collaborations with main partners active on the market: workwear, denim, sport and luxury goods.

Other verticals

- NexTech collaboration continues to deliver results. The Company signed a three-year partnership supply agreement and a joint R&D collaboration for the supply and development of new grades of G+ graphene nanoplatelets for the production of Lithium Sulphur batteries and supported the establishment of the European subsidiary of NexTech in Italy.
- Continued progress following the agreement with a major international developer and manufacturer of consumer electronics for the potential application of G+® graphene on covering materials of consumer devices, exploiting the antiviral-antibacterial properties of G+® graphene as well as its thermal and electrical conductivity and new interesting properties (sensor applications).
- Further commercial traction for Gipave®, a graphene enhanced asphalt developed in conjunction with Iterchimica, with two further commercial trials in Oxfordshire in UK and in Sardinia in Italy.
- Further progress with Italdesign, part of Volkswagen AG, to jointly develop a wide range of automotive components enhanced by Directa Plus' graphene expertise.

Substantial technology and IP portfolio

- Directa Plus' current patent portfolio now comprises 65 granted patents plus 27 patents pending, grouped into 18 families, 4 covering G+ production and 14 covering G+® products and applications.
- In January 2021, Directa Plus received Notices of Allowance in respect of four patents, ahead of the formal grant.
- In March 2021, Directa Plus was granted an EU-wide patent covering the use of its G+® graphene in golf ball applications.
- In May 2021, Directa Plus was granted an EU-wide patent covering the use of Directa Plus' unique water-based exfoliation technology for converting super-expanded graphite to pristine graphene nanoplatelets using no chemicals and completed with a very high conversion yield.

Outlook

- Working with leading global companies to develop and bring to market world class products is at the heart of what Directa Plus does. More leading partners are willing to collaborate with Directa Plus every year, and the market is gradually recognising the great potential of the patented technologies. The Board considers the Group to be in a good position to grow and invest further.

Giulio Cesareo, Founder & CEO of Directa Plus, said:

"I am delighted to report that the first six months of 2021 showed exceptional results, the best in the Company's history. The much improved financial figures are tangible proof of the progress the Group is making in terms of market penetration, increasing collaborations and the strengthening of the awareness and adoption of Directa Plus's technology. A special thanks to all the staff who have delivered this result against the very difficult backdrop of the Covid pandemic.

"The Group is also growing and developing as an organisation, in terms of new people, machinery and tools. We are implementing a new and advanced administrative tool that will enable us to better assess business performance and support strategic decision making going forward.

"The Group is at an inflection point. We are working with leading global companies to develop and bring to market, best in class products. As we gain recognition in the market, we see increased numbers of businesses wanting to partner with Directa Plus and as result, the Board is hugely encouraged by the opportunity in front of us. Directa Plus is in a strong position to grow and we look forward to the rest of the year and beyond with confidence."

For further information please visit <http://www.directa-plus.com/> or contact:

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Review of Operations

Environmental

The Setcar acquisition, signed in November 2019, is delivering the returns expected by management, in terms of business development and financial contribution to the Group. The Romanian subsidiary is contributing to the expansion of Directa Plus' Grafysorber® technology into new markets, which is rapidly gaining adoption in the Oil & Gas industry as a step change improvement from existing water treatment products and services. Reusable and sustainably produced Grafysorber® is five times more effective at hydrocarbon clean-up than competitor products and allows for the recovery of financially valuable oils and sludges. In addition, Grafysorber® is sustainably produced, non-flammable and reusable, with the adsorbed hydrocarbons recoverable.

In January 2021, Directa Plus had its contract with OMV Petrom extended and increased. Initially awarded in July 2019, the contract was for the provision of decontamination and oil recovery services using the Company's proprietary Grafysorber® technology. The initial value of the contract was €150,000 and this was increased up to €410,000 for a six-month services period.

Post period end, in July 2021, Directa Plus won an additional tender with OMV Petrom for a four-year contract with a total value of more than €3.2m. It is expected that approximately 80,000 cubic meters of sludge and waste produced during the first upstream separation process will be treated and that up to 20,000 tons of crude oil with impurities below 1% will be recovered and sent to the refinery. In addition, it is expected that some 50,000 cubic meters of produced water will be treated over the same period using dedicated engineering equipment, increasing water injection quality while meeting national regulations to minimise the use of water resources. Directa Plus will supply a total of 700 high-performance adsorbent devices containing Grafysorber® to OMV Petrom to insulate, clean and eliminate any accidental oil spills during the workover and intervention operations, mitigating any environmental impact.

In May 2021, Directa Plus initiated a collaboration with Reda Oilfield UK ("Reda"), a leading provider of chemicals products and associated services to the Oil & Gas industry. Reda tested and validated Directa Plus' Grafysorber® technology and has been impressed with the enhanced performances of the products. The parties are currently defining the terms for future collaborations in the productions and distribution of Grafysorber® based products.

Textiles

In 2020, the Covid-19 pandemic led Directa Plus to rapidly respond to the global crisis by developing the Co-mask™, a product to alleviate the effects of the pandemic by helping to reduce transmission of the virus. The development and commercialisation of the Co-mask™ accelerated studies around the filter applications of G+® technology, which is proven to have anti-viral properties, is non-toxic and has no negative impacts on human skin.

In March 2021, Directa Plus announced a further test result relating to the absence of absorption of its pristine graphene nanoplatelets powder (Pure G+®) through human skin. A total of eight in vitro test results now show that Pure G+® has no potential negative impact on human health.

In April 2021, the new G+® graphene coating for fabrics was tested by an independent third-party laboratory and found to be suitable for human skin contact. The results showed zero erythema and oedema reactions

across all subjects participating in the test and the G+[®] coated fabric was reported to be 'dermatologically tested' and non-irritating.

Post period end, in July 2021, the peer-reviewed interdisciplinary open-access journal iScience published a scientific paper titled "Graphene Nanoplatelet and Graphene Oxide Functionalization of Face Mask Materials Inhibits Infectivity of Trapped SARS-CoV-2". The paper provides scientific evidence that the Company's G+[®] graphene nanomaterials and those from graphene oxide present a critical opportunity to significantly increase face mask efficacy. In relation to the anti-SARS CoV2 capability of Directa Plus' G+[®] graphene, the paper certifies that G+[®] filter fabric treated with PU G+[®] can inactivate 97% of the virus while G+[®] cotton can inactivate 99% of the virus.

The antibacterial and antiviral properties of the Company's G+[®] pristine graphene nanoplatelets represent significant opportunities for Directa Plus in textile and biomedical applications. The efficacy of G+[®] and its non-toxic and sustainable production characteristics overcome the problems of the current state-of-the-art solutions that are based on metal-ion or halogen treatments, which could be dangerous to human health and detrimental to the environment. The Group continues to commercialise current products and is exploring new applications.

Additionally, in the first half of 2021 Directa Plus launched its own line of performance sportswear: the Cosmic Collection. This collection aims to offer customers an innovative experience of an advanced technology, which is also sustainable. The Cosmic Collection is a showcase of the incredible versatility of Graphene Plus and its applications and will contribute to increasing the awareness of the Company and its technologies.

Finally, in April 2021 the Group announced further positive advances in its research into printing graphene-based inks onto textiles. For two years, Directa Plus has been working with an international textile group to develop a new G+ graphene printing technique for the textile market and for the first time a G+ graphene-based ink, which uses a specific grade of graphene developed for the purpose which has been digitally jetted. Though only a preliminary result, it proves the feasibility of the technology and is an important milestone for the Company's product development strategy in the textile vertical.

Post period end, in July 2021 members of the Dutch and Belgian cycling teams won four medals at the Tokyo Olympics (one gold, two silver and one bronze) in the road race event wearing a shirt printed with Directa Plus's patented and proprietary technology, the Thermal Planar Circuit[®]. The shirts for the national cycling teams at the Games were made by premium cycling brand, Bioracer, using fabric supplied by Italian company, Taiana, with the unique and high-performance print made using Directa Plus's sustainable graphene. This is an additional illustration of how the Company's G+[®] graphene supports the natural thermoregulation of the body, providing athletes with a competitive advantage.

Additional industrial verticals

Composites

The asphalt applications of Directa Plus's G+ graphene technology is providing promising results, and the interest in the market for the product is growing internationally. The Company has signed a three-year agreement with Iterchimica for the exclusive supply of G+ graphene products for the asphalt and bitumen sector worldwide and have extended the partnership with a significant pipeline of opportunities. Iterchimica

has identified 20 key partners and 88 potential customers worldwide to continue the Group's growth in revenue from this sector.

Lithium-Sulphur Batteries

Lithium-Sulphur is a next generation battery chemistry offering advantages over Lithium-Ion as it has a superior energy density, significant cost advantages and a superior safety profile. Our collaboration with NexTech, a leading company in the field of Lithium Sulphur batteries based in Nevada, USA, is making strong progress.

In November 2020, a memorandum of understanding was signed with NexTech. In February 2021, both parties agreed to form a stronger partnership, with a three-year supply agreement for the provision of a specific grade of G+[®] pristine graphene nanoplatelets and a joint R&D collaboration to develop new specific grades of nanoplatelets. A joint laboratory has been established in Lomazzo, where Directa Plus is located and both parties will dedicate selected scientists from their respective R&D teams.

In June 2021, NexTech established its European subsidiary in Italy ("NexTech Italia SpA"), temporarily located within Directa Plus' facilities in Lomazzo, with the initial objective being to evaluate the feasibility of producing cathode active materials in Italy, using Directa Plus' G+[®] graphene nanoplatelets, for the manufacture of Lithium-Sulphur (Li-S) batteries throughout Europe, to accelerate the technology's commercialisation.

Consumer Electronics

In December 2020, Directa Plus signed a development agreement with the soft goods division of a major international developer and manufacturer of consumer electronics and related services. The agreement covers the potential application of G+[®] graphene as a protective covering for consumer devices, exploiting the antiviral-antibacterial properties of G+[®] graphene as well as its thermal and electrical conductivity. The partnership is already delivering results and is progressing in the desired direction.

Automotive

Directa Plus continues to invest in the technical and commercial agreement with Italdesign, part of Volkswagen AG, a global leader in automotive design and engineering. The agreement will allow Directa Plus and Italdesign to jointly develop a wide range of automotive components enhanced by the Company's graphene expertise.

Other areas

The Company continues to pursue additional opportunities in new growth verticals including energy storage, golf balls, paints, and cements. The Company is also exploring the application potential within the rubber and tyres, plastic and non-woven materials industries.

In February 2021, research undertaken by scientists at the Polytechnic of Turin was published in an article in the journal *Polymers* showing that the use of water-based G+ graphene ink to coat polymeric foam confers significant flame-retardant properties versus untreated polymeric foam. A simple application of G+ ink to the external faces of the foam provided good flame-retardant properties, tested in both horizontal and vertical planes. Polymeric foams are used in many applications from roof insulation to furniture and are extremely flammable meaning that the potential market for G+ fire retardant technology is sizeable.

In March 2021, Directa Plus was granted an EU-wide patent covering the use of its G+[®] graphene in golf ball applications. The patent covers a family of formulations and compounds containing G+[®] graphene nanoplatelets. Using these compounds at different loadings provides the basis for developing a new generation of high-performance golf balls aimed at both the professional and recreational markets. For professionals, G+[®] can be used to enhance the hardness of the core of golf balls to maximise shot distance, without losing lateral control. For amateurs, a different formulation of G+[®] can be used to increase distance while at the same time maximising control.

Intellectual Property

As of September 2021, the Group's current patent portfolio is comprised of 65 patents granted plus 27 patents pending.

In January 2021, Directa Plus received Notices of Allowance in respect of four patents, ahead of the formal grant:

- a US patent for the Group's Graysorber[®] environmental remediation technology;
- an EU patent for the Group's sustainable, chemical-free G+ production process;
- a US patent for the use of G+[®] graphene supermodifier to improve the performance of elastomers, specifically tyres; and
- an EU patent covering the same use of G+[®] supermodifier in tyres.

In March 2021, Directa Plus was granted an EU-wide patent covering the use of its G+[®] graphene in golf ball applications.

In May 2021, Directa Plus was granted an EU-wide patent covering the production process for its G+[®] graphene nanoplatelets. The patent, titled 'Process for Preparing Graphene Nanoplatelets' covers the use of Directa Plus' unique water-based exfoliation technology for converting super-expanded graphite to pristine graphene nanoplatelets using no chemicals and with a very high conversion yield.

The Company is examining ways to realise the significant value of its patents in the market, exploring potential license opportunities or royalty models that could be the most effective models for the Company at this stage.

Financial

The Group's interim financials as of 30 June 2021 are the results of a rapid and continuous growth of Directa Plus' business. During the first six months of the year, Total Revenues increased by +41% compared to the first half of 2020, reaching €3.95m. The increase was driven by all the main verticals. The Environmental vertical, whereby Setcar is delivering excellent results to the Group, is still playing a key role (€2.952m, +35% vs 1H20), while the Textiles vertical increased its revenues by +72%, reaching €940k.

Total Income was €4.56m, an increase of 60% compared to the previous year. It is worth noting that this result was positively impacted by €0.5m of one-off income from Setcar as a result of the release of an undue obligation.

EBITDA loss showed a significant reduction (-70%) compared to the previous year, reaching -€0.44m (-€1.47m in 1H20). The improvement was mainly driven by a €1.01m positive EBITDA contribution from Setcar. The Net Loss for the year was -€1.20m, an improvement by 51% compared to the first half of last year (-€2.45m).

As of 30 June 2021, Cash was €5.19m (€7.08m as of 31 December 2020). In June 2021 the Group raised a €0.5m bank loan under the Italian Government's Covid-19 Recovery Plan. Directa Plus took advantage of the low-cost liquidity offered in order to secure additional funding and accelerate its strategic programme. The Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from approving these interim financial statements.

Outlook

In the first six months of 2021 Directa Plus achieved the best results in the Company's history. The Group is managing to progressively increase the awareness of its unique technologies in the market and advance commercialisation. The interim results are a substantiation of the developments of Directa Plus with an increase of 41% in total revenue and a significant 70% reduction in the EBITDA loss compared to the first half of 2020.

Setcar is contributing to the Group and to the environment vertical with great results. Setcar is increasing its business rapidly, the technology is well recognised on the market, and we expect further successes going forward. The tender win in July 2021 with OMV Petrom for a €3.2m four-year contract is expected to be the beginning of additional collaborations in the near future. The combination of Directa Plus's technology Grafysorber® alongside the market penetration and expertise of our Romanian subsidiary is a perfect match.

The textile vertical is growing fast. The Group is expanding its collaborations with important commercial partners, and it is exploring new applications on filters (with antibacterial and antiviral properties), flame retardants and ink-printing that will increase the potential range of applications.

Other verticals continue to look promising. The collaboration with NexTech is progressing well, and the establishment of NexTech's European subsidiary in Italy is a tangible signal that the parties are accelerating the technology's commercialisation. Furthermore, the collaboration with Iterchimica in the asphalt sector is gaining further commercial traction and we are achieving positive results from the tests with a major manufacturer of consumer electronics.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

In euro

	Note	(Unaudited) 6 months ended 30 Jun 2021	(Unaudited) 6 months ended 30 Jun 2020	Audited 12 months ended 31 Dec 2020
Continuing operations				
Revenue		3,950,559	2,807,066	6,434,480
Other income		613,651	53,462	345,826
Changes in inventories of finished goods and work in progress		293,498	(68,693)	213,229
Raw materials and consumables used		(1,300,320)	(682,321)	(2,564,317)
Employee benefits expenses		(1,996,322)	(1,651,111)	(3,769,274)
Depreciation and amortisation		(775,393)	(702,406)	(1,690,872)
Other expenses		(2,002,230)	(1,929,054)	(3,279,927)
Results from operating activities		(1,216,557)	(2,173,057)	(4,310,855)
Finance expenses income (expenses)		128,918	(312,843)	(346,532)
Net finance costs		128,918	(312,843)	(346,532)
Loss before tax		(1,087,639)	(2,485,900)	(4,657,387)
Tax expense		(116,640)	36,260	124,414
Loss after tax		(1,204,279)	(2,449,640)	(4,532,973)
Loss from continuing operations		(1,204,279)	(2,449,640)	(4,532,973)
Loss of the period		(1,204,279)	(2,449,640)	(4,532,973)
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		(6,917)	7,965	7,821
Other comprehensive income for the year (net of tax)		(6,917)	7,965	7,821
Total comprehensive income for the year		(1,211,196)	(2,441,675)	(4,525,152)
Loss attributable to				
Owner of the Parent		(1,479,086)	(2,321,885)	(4,195,011)
Non-controlling interests		274,807	(127,755)	(337,962)
		(1,204,279)	(2,449,640)	(4,532,973)
Total Comprehensive (expenses)/ income attributable to				
Owner of the Parent		(1,486,003)	(2,313,920)	(4,187,190)
Non-controlling interests		274,807	(127,755)	337,962
		(1,211,196)	(2,441,675)	(4,525,152)
Loss per share				
Basic loss per share	2	(0.02)	(0.04)	(0.07)
Diluted loss per share	2	(0.02)	(0.04)	(0.07)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

<i>In euro</i>	Note	(Unaudited) 30 Jun 2021	(Unaudited) 30 Jun 2020	Audited 31 Dec 2020
Assets				
Intangible assets		1,907,600	2,053,432	2,042,767
Property, plant and equipment		4,187,504	4,338,078	4,209,267
Trade and other receivables		135,036	112,306	140,649
Deferred tax assets		-	-	-
Non-current assets		6,230,140	6,503,816	6,392,683
Inventories		1,657,947	1,022,425	1,375,947
Trade and other receivables		2,621,172	2,446,221	2,857,460
Cash and cash equivalent		5,191,533	7,491,014	7,080,492
Current assets		9,470,652	10,959,660	11,313,899
Total assets		15,700,792	17,463,476	17,706,582
Equity				
Share capital		191,531	190,996	190,996
Share premium		31,395,612	31,395,612	31,395,612
Retained Earnings		(23,264,042)	(19,977,696)	(21,831,244)
Equity attributable to owners of Group		8,323,101	11,608,912	9,755,364
Non-controlling interest		2,101,286	1,122,735	906,885
Total equity		10,424,387	12,731,647	10,662,249
Liabilities				
Loans and borrowings		1,890,196	-	1,017,716
Lease liabilities		462,192	376,495	627,138
Employee benefits		474,274	426,683	444,483
Other payables		64,636	65,763	65,397
Deferred tax liabilities		114,022	97,065	8,423
Non-current liabilities		3,005,320	966,006	2,163,157
Loans and borrowing		26,722	1,131,901	981,065
Lease liabilities		276,987	161,421	214,935
Trade payables and other payables		1,967,376	2,472,501	3,685,176
Current liabilities		2,271,085	3,765,823	4,881,176
Total liabilities		5,276,405	4,731,829	7,044,333
Total equity and liabilities		15,700,792	17,463,476	17,706,582

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In euro	Share Capital	Share premium	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance at 31 December 2019	190,512	31,395,612	(17,652,178)	13,933,946	1,240,194	15,174,140
Total comprehensive (expense)/income for the period						
Loss of the Period	-	-	(2,321,885)	(2,321,885)	(127,755)	(2,449,640)
Total other comprehensive (expense)/income	-	-	7,965	7,965	-	7,965
Total comprehensive (expense)/income for the period			(2,313,920)	(2,313,920)	(127,755)	(2,441,675)
Capital raised	484	-	-	484	-	484
Translation reserve	-	-	(11,598)	(11,598)	-	(11,598)
Acquisition of Directa textile Solutions non-controlling interest	-	-	-	-	10,296	10,296
Balance at 30 June 2020	190,996	31,395,612	(19,977,694)	11,608,912	1,122,735	12,731,647
Total comprehensive (expense)/income for the period						
Loss of the Period	-	-	(1,881,091)	(1,881,091)	(200,900)	(2,081,991)
Total other comprehensive (expense)/income	-	-	7,821	7,821	-	7,821
Total comprehensive (expense)/income for the period			(1,873,270)	(1,873,270)	(200,900)	(2,074,170)
Capital raised	-	-	-	-	-	-
Translation reserve	-	-	435	435	-	435
Change of Directa Textile Solutions non-controlling interest	-	-	-	-	(14,949)	(14,949)
Share based payment reserve	-	-	19,285	19,285	-	19,286
Balance at 31 December 2020	190,996	31,395,612	(21,831,244)	9,755,364	906,885	10,662,249
Total comprehensive (expense)/income for the period						
Loss of the Period	-	-	(1,479,086)	(1,479,086)	274,807	(1,204,279)
Total other comprehensive (expense)/income	-	-	(6,917)	(6,917)	-	(6,917)
Total comprehensive (expense)/income for the period			(1,486,003)	(1,486,003)	274,807	(1,211,196)
Capital raised	535	-	-	535	-	535
Translation reserve	-	-	(8,045)	(8,045)	-	(8,045)
Change of Setcar non-controlling interests	-	-	-	-	919,594	919,594
Share based payment reserve	-	-	61,251	61,251	-	61,251
Balance at 30 June 2021	191,531	31,395,612	(23,264,042)	8,323,101	2,101,286	10,424,387

CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2021

	(Unaudited) 30 Jun 2021	(Unaudited) 30 Jun 2020	Audited 31 Dec 2020
Loss for the year before tax	(1,087,639)	(2,485,900)	(4,657,387)
<i>Adjusted for:</i>			
Depreciation	489,675	406,674	1,020,387
Amortisation of intangible assets	285,718	295,529	670,485
Share based payment charge	61,251	-	19,286
Finance income	(163,820)	(1,808)	(1,175)
Finance expense	13,970	314,624	326,118
Interest of lease liabilities	12,543	-	21,589
Operating cash flow before working capital changes	(388,302)	(1,470,881)	(2,600,697)
Decrease / (Increase) in inventories	(282,000)	68,693	(280,011)
Decrease / (Increase) in trade and other receivables, prepayments	241,900	496,235	179,292
(Decrease) / Increase in trade and other payables	(1,325,658)	(2,624,462)	(1,398,380)
Increase / (decrease) in provisions and employee benefits	16,765	15,404	24,844
Net cash used in operating activities	(1,737,295)	(3,515,011)	(4,074,952)
Cash flows from investing activities			
Interest received	427	1,808	1,175
Investment in intangible assets	(120,445)	(146,872)	(434,898)
Contingent consideration	(442,205)	-	(208,097)
Acquisition of property, plant and equipment	(458,996)	(67,303)	(195,991)
Net cash used in investing activities	(1,021,219)	(2,12,367)	(837,811)
Cash flows from financing activities			
Proceeds from Capital raise	535	23,006	484
Interest Paid	(8,622)	(18,586)	(45,647)
New Borrowings	872,945	872,250	1,874,243
Repayment of borrowings	(35,214)	(217,288)	(360,164)
Interest of lease liabilities	(12,543)	(7,143)	(21,589)
Repayment of lease liabilities	(102,894)	(80,477)	(78,646)
Net cash generated from financing activities	714,207	571,762	1,368,681
Net increase in cash and cash equivalent	(2,044,307)	(3,155,616)	(3,544,082)
Effect of exchange rate changes	155,348	(259,446)	(281,502)
Cash and cash equivalents at beginning of the period	7,080,492	10,906,076	10,906,076
Cash and cash equivalents at end of the period	5,191,533	7,491,014	7,080,492

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the 6 months ended 30 June 2021

1. Basis of preparation

(a) Statement of compliance

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006.

The financial information for the six months ended 30 June 2021 is unaudited. In the opinion of the Directors, the financial information for the period fairly represents the financial position of the Group. Results of operations and cash flows for the period are in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies, estimates and judgements applied are consistent with those disclosed in the Group's statutory financial statements for the year ended 31 December 2020. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the full annual report for the year ended 31 December 2020.

All financial information is presented in Euro, unless otherwise disclosed.

The Directors of the Company approved the financial information included in these Interim condensed consolidated financial statements on 28 September 2021.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Euro ('€') and is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements. The functional currency of the Company and operating subsidiary is Euro ('€'). The functional currency of the Romanian subsidiary is RON.

(d) Going concern

The Group meets its working capital requirements through the receipt of revenues from the provision of its services and sale of products mainly in Europe, the management of capital and operating expenditure, from the working capital and other borrowing facilities available to it and from the issue of equity capital.

As at 30 June 2021, the Group had net assets of €10.42m (31/12/2020: €10.66m) and cash and cash equivalent of €5.19m (31/12/2020: €7.08m).

The Directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place in the business. The Group is projected to have the financial capacity to support its viability, following the uncertainties and challenges created by the COVID-19 pandemic, until at least the end of 2022.

Having regard to the above and based on their latest assessment of the budgets and forecasts for the business of the company, the Directors consider that there are sufficient funds available to the Group to enable it to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of

the financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2. Earnings Per Share

The earnings per share have been calculated using the weighted average of ordinary shares. The Company was loss making for all periods presented. Therefore, the dilutive effect of share options has not been taken account of in the calculation of diluted earnings per share, since this would decrease the loss per share for each of the period reported.

	Change in number of ordinary shares	Total number of ordinary shares	Days	Weighted number of ordinary shares
At 30 June 2018	-	44,212,827	182	44,212,827
At 31 December 2018	4,256,000	48,468,827	365	44,376,071
At 30 June 2019	2,647,609	51,116,436	182	50,970,963
At 31 December 2019	12,530,156	60,998,983	365	52,973,511
At 30 June 2020	111,980	61,110,963	182	60,999,598
At 31 December 2020	63,624	61,174,587	365	61,087,158
At 30 June 2021	198,872	61,365,459	181	61,351,750

Earnings per share

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Loss for the year	(1,479,086)	(2,321,885)	(4,195,011)
Weighted average number of shares:			
- Basic	61,351,750	60,999,598	61,087,158
- Diluted	61,351,750	60,999,598	61,087,158
Loss per share			
- Basic	(0.02)	(0.04)	(0.07)
- Diluted	(0.02)	(0.04)	(0.07)

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