30 September 2019

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Directa Plus plc

("Directa Plus" or the "Company")

Half Year Report

Directa Plus (AIM: DCTA), a 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 2019.

Directa Plus's focus is on the sectors where it has established strong commercial advantage through developing and launching products with a technological lead: Environmental, based on our Grafysorber® product for treating oil contaminated water; Textiles (based on our G+ products and technology); Composites (including our asphalt additive in Ecopave; and, Elastomers (including retread tyres)

Summary

Financial and Corporate

- Revenue for the six months to 30 June 2019 increased by 56 per cent to €894,693 (2018: €573,822)
- Loss before tax was similar to last year at €1,778,890 (2018: loss of €1,753,053)
- Loss per share was €0.03 (2018: €0.04)
- Cash at period end was €4,760,951 (€4,947,457 at the end of the comparable period and €5,503,884 as at 31 December 2018)

Target market progress

Environmental

- Strategic decision on developing a full decontamination service – not just a product - for the Company's Grafysorber® oil adsorber product to international oil and gas markets
- Post-period end announced the award of a supply and service contract to treat and recover crude oil from producing wells onshore Europe using Grafysorber® for a value of approximately €150,000 over the next six months

Textiles

- Luxury: Signed an exclusive agreement with Loro Piana in March for the commercialisation of Loro Piana fabrics and garments enriched by the Company's G+ technology. With an initial duration of three years the contract has a minimum value of €800,000 mainly weighted in 2020 and 2021
- Workwear: Signed an exclusive agreement with Alfredo Grassi S.p.A. in May, to broaden existing collaboration in the development of graphene enhanced workwear and expand into the military outerwear market in Italy, part of Europe and North Africa
- Denim: Continuing to evaluate potential new collaborations to gain increased market presence for our innovative denim technology based on Planar Thermal Circuit

Composites and Elastomers

- Announced in April the successful results of a first commercial test of an asphalt concrete, Ecopave, in partnership with **Iterchimica** – confirming that using G+ products as an additive will extend the life and resilience of asphalts on roads
- Further testing will see Ecopave laid on new trial sections of highway in the second half of 2019 in Italy (roads and airports), and UK with USA and Oman trial to follow in 2020.

Intellectual Property

- Significant new patents filed or granted including:
  - a US patent covering our manufacturing process for graphene nanoplatelets
  - a US patent covering our technology to produce a water-based dispersion of pristine graphene nanoplatelets which allows Directa Plus to create an ink based on its G+ graphene product
  - an Italian patent for the process of removing hydrocarbons from water exploiting Grafysorber®
  - an additional Italian patent covering the use of our G+ graphene in the manufacture of golf balls
  - a Chinese patent, covering Directa Plus' unique process for manufacturing graphene nanoplatelets

- IP portfolio now contains a suite of patents, across global jurisdictions, of 27 granted, and a further 20 pending approval

Giulio Cesareo, Founder & CEO, said:

"2019 started well for the Company as we continued to deliver our strategy of using pristine graphene nanoplatelets to enhance customers' products and to move up the value chain. As we partner initially with Italian based multinationals to create reference products, we can leverage those products and experience to enter wider global markets. This proven strategy has allowed us to gain increasing international commercial traction in our four key vertical markets: environmental, textiles, composites and elastomers.

"Our international footprint is expanding, with our total revenues up by 56 per cent during the period and the visibility of our products in the world's largest market for graphene, the United States, increased materially as a result of our initiatives.

"Within Textiles, we have been working with Grassi on a material graphene enhanced workwear order, albeit we have seen some slippage in the final ordering process from the end customer such that we now expect that it is more likely that only a small part of this order will be reflected in this years' revenues.

"In the Environmental vertical we are going to invest to fully integrate Directa's environmental activities, creating a full service graphene based solution for the oil and gas industry, via the acquisition of Setcar which is also being announced today.

"As we look forward to the reminder of 2019 and beyond, we expect to make further progress in all of our key vertical markets and continue to grow our business."

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

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This announcement has been approved by Giulio Cesareo, Chief Executive, on behalf of the Company.

Review of Operations

In the first half of 2019, Directa Plus continued to make good progress on its strategy to use its pristine graphene nanoplatelets to enhance customers' products and to move up the value chain. By partnering initially with Italian based multinationals to create reference products, we can leverage those products and experience to enter wider global markets. This proven strategy has allowed us to gain increasing international commercial traction in our four key vertical markets: environmental, textiles, composites and elastomers.

Environmental

In the environmental segment, the first half saw us working to finalise our plans to offer a full decontamination service for the Company's Grafysorber® pollutant adsorber product to international oil and gas and marine markets. Offering a full service enables Directa Plus to capture significant additional value for shareholders.

In line with this commercialisation strategy, we announced shortly after the period end, in July, the award of a supply and service contract to treat and recover crude oil from producing wells onshore Europe. The contract commenced on 1 August 2019. We will treat several thousand cubic meters of sludges and by-products for a value of approximately €150,000 over the next six months, using the Company's Grafysorber® technology. Directa Plus is providing a full service to the customer, an international oil and gas company, with the supply of a mobile treatment unit and we are operating the recovery process.

The application of the Grafysorber® technology has the potential to both improve the production process and reduce costs through recovering crude oil from sludges and water associated with extraction and by avoiding expensive disposal as an untreated waste. In addition, our treatment will allow the ritualization of already injected produced water (water that comes out of the oil or gas reservoir as part of the production process), reducing usage of water resources. Grafysorber® is sustainably produced, non-flammable and reusable, with the adsorbed hydrocarbons recoverable.

Textiles

In textiles, our business has continued to grow with new applications, new materials and new territories. In March, we announced that Directa Plus had signed an exclusive agreement with Loro Piana for the commercialisation of Loro Piana fabrics and garments enriched by the Company's G+ technology. This was our first material engagement with the luxury sector and lead to the launch of the first such textile at the 29th Milano Unica exhibition at the beginning of July. The agreement with Loro Piana is on a worldwide basis with an initial duration of three years for a minimum value of €800,000.

We were delighted to conclude this agreement. The extreme sensitivity of Loro Piana to the environment along its entire value chain fits perfectly with our own culture: all of our products are hypoallergenic, non-toxic and sustainably produced. Thanks to the agreement, Directa Plus's G+ technology will be entering Loro Piana's prestigious supply chain and will benefit from its global brand awareness and its reputation for the highest quality standards.

In the workwear sector, we also continued to make progress. In May, we announced that we had signed an exclusive agreement with Alfredo Grassi S.p.A., to broaden an existing collaboration in the development of graphene enhanced workwear and to expand into the military outerwear market. We have been working with Grassi for the last three years and our partnership has already produced more than 80,000 metres of fabric enhanced with G+ pristine graphene nanoplatelets, that have been used in the manufacture of thousands of garments.

The agreement between Directa Plus and Grassi provides for up to three years of exclusive co-operation in some countries in Europe and in North Africa in the workwear and military markets. The main objectives are to increase the uptake of graphene enhanced, advanced workwear and military outerwear to develop and market new products; and, to offer end users the maximum level of sustainability along the entire supply chain. As with many of our customers, we share a culture with Grassi of focusing care and attention on innovation and sustainability with the safety and wellness of the end users paramount.

Finally, following the launch of a G+ enhanced denim last year with Arvind, we are continuing to evaluate potential new collaborations in the denim arena to gain increased market presence for our innovative denim technology.

Composites and Elastomers

In Composites, we announced in April with our partner Iterchimica, the first official results from the trial re-surfacing of a section of an Italian road with the G+ upgraded asphalt super modifier containing Directa Plus G+ graphene. The trial was the first commercial test of an asphalt concrete, Ecopave, with this innovative graphene-enhanced super modifier and involved the refurbishment of the two upper layers of a 1 km-long section of an road. It was carried out by Iterchimica with support from an independent laboratory. The performance of the road surface has been constantly monitored since November 2018.

The trial, comparing asphalt concrete with the super modifier to a traditional asphalt surfacing, was successful in all respects. Service life was increased by over 250 per cent; resistance to the passage of vehicles showed an increase of 35 per cent; resistance to deformation at the same load showed an improvement of 46 per cent at 40°C; and, rutting values (tracks left by tyres) were 35 per cent lower at 60°C.

The graphene-enhanced super modifier used in the trial was the result of a three-year research project with a patent filed in 2017. New technologies such as this and the rejuvenation of old paving will help to meet Italy's Green and Circular Economy standards. Once laid, asphalt concrete with the super modifier can be completely recycled, reducing the extraction of new materials from quarries and first-use bitumen. Ecopave will be laid on new trial sections of highway in the second half of 2019 in Italy, UK, and in USA and Oman in 2020.

In Elastomers, we are proceeding with the retread tyres application with positive results coming from the tests and trials. Leveraging on the G+ unique performances we entered into discussion with a player in the electric mobility US market to assess the opportunity to implement the use of tires enhanced with G+ graphene to reduce rolling resistance.

Intellectual Property

As part of our strategy to increase our presence in international markets, we have paid particular attention to our intellectual property. This has resulted in the grant of a number of additional patents both in Europe and internationally. The first of these was the grant of the Italian patent for the process of removing hydrocarbons from water exploiting Grafysorber® and we are now in the process of completing the necessary steps to file the patent in other countries.

Next up was an additional Italian patent covering the use of our G+ graphene in the manufacture of golf balls, which can provide a series of beneficial features that offer opportunities to develop a new generation of golf ball for both professional and amateur players.

This was followed by the grant of a Chinese patent, covering Directa Plus' unique process for manufacturing graphene nanoplatelets. Our unique exfoliation technology is chemical free, has an extremely high yield, and can be varied to produce graphene nanoplatelets with specific morphologies. This means that G+ products are safe for human health, can be tailor-made to meet customers' needs, and the high-yields create competitive prices. Gaining legal recognition of the Company's proprietary, chemical-free graphene production process in China will allow us to enter into larger Chinese supply chains more easily in the future.

Lastly, our focus on developing greater traction in the US has lead us to file for more patents in that territory. In the first half of the year, we secured two US patents. The first covered our manufacturing process for graphene nanoplatelets and the second covered our technology to produce a water-based dispersion of pristine graphene nanoplatelets which allows Directa Plus to create an ink based on its G+ graphene product. The grant of these US patents is a key development in launching our products into the United States. The sustainable nature of our production process, using no chemicals, is proving to be an attractive point of difference in negotiations with large US companies.

Post period we have received notice of allowance for two European patents: the first covering our technology to produce a water-based dispersion of pristine graphene nanoplatelets while the second covers the application of our G+ product as a flame-retardant solution.

Our IP portfolio now contains a suite of patents, across global jurisdictions, of 27 granted, and a further 20 pending approval.

Financial
Revenue for the six months to 30 June 2019 increased by 56 per cent to €894,693 (1H2018: €573,822), driven by the Textile sector. The significant increase in raw material and consumables used at €612,532 (1H2018: €255,499) is directly correlated with the increase in revenues derived from the textile industry which require the purchasing of fabrics. Employee benefits expenses were tightly controlled at €980,007 (1H2018: €956,325) with full time equivalent increasing by one to 24.

Other expenses showed a slight increase of 5.7 per cent to €892,911 (1H2018: €844,335). Despite maintaining a cautious cost control, we continue to grow the amount of P&L expenses related to consultancy services and to travel and marketing. These are vital to expedite the development of the core applications and to boost revenues and to create and maintain business relationships. As result of the slight increase in costs, EBITDA loss for the period remained aligned with 1H2018 at €1.45m.

Loss before tax was similar to last year at €1,778,890 (2018: loss of €1,753,053) reflecting a positive effect from finance expenses income of €38,160 (1H2018: 4,352). Loss per share was €0.03 (2018: €0.04).

EBITDA (€m)	1H 2019	1H 2018
Result from operating activities	(1.82)	(1.76)
Depreciation and amortisation	0.37	0.33
EBITDA	**(1.45)**	**(1.43)**

An investment in tangible and intangible assets of €0.13m was incurred during the period, mainly related to IP development (€0.03m) and capitalisation of development costs (€0.07m).

A capital raise was undertaken between December 2018 and January 2019, raising a total gross amount of £3.45 million (€3.84m) with the details provided in the last Annual Report. The effect of the Conditional Placing and the Open Offer (settled on 9 January 2019) and equal to £1.32m (€1.47m) are reflected in this period's cash position.

Cash at period end was €4.8m (€4.9m at the end of the comparable period and €5.5m as at 31 December 2018). The Directors are satisfied that the Group has adequate resources to continue in operational existence at least 12 months from approving these interim financial statements. Accordingly, these interim financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group has sufficient funds to meet their ongoing working capital and committed capital expenditure requirements. In making this assessment, the Directors considered the budgets, the cash flow forecasts and associated risks.

Outlook
2019 started well for us with our strategy continuing to deliver and we expect to make further progress in all of our key vertical markets during the remainder of the year.

Within Textiles, we have been working with Grassi on a material graphene enhanced workwear order, albeit we have seen some slippage in the final ordering process from the end customer such that we now expect that it is more likely that only a small part of this order will be reflected in this years' revenues.

In the Environmental business we are going to invest to create a full service graphene based solution for the oil and gas industry, via the acquisition of Setcar, which is also being announced today. Moreover, we are going to extend the range of the Grafysorber based industrial applications as well as improving Grafysorber's properties, targeting the adsorption of several pollutants. A significant benefit of the proposed acquisition of Setcar is the expected signing of several commercial contracts for the provision of environmental services to a number of multinational oil and gas companies. These contracts will extend across several years starting between October 2019 and late 2020 and represent a revenue opportunity of at least €8 million.

With regards to Textiles, leveraging on our commercial endorsements, we are going to boost market presence and quality of revenues as well as improving the Planar Thermal Circuit properties, targeting electrical conductivity and smart textiles. Moreover we would like to invest in developing a G+ graphene yarn.

To conclude, the key focus of our company-maker verticals is well defined and our international footprint is expanding with increasing visibility for Directa Plus and our products in the world's largest market for graphene, the United States.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

In euro	**Note**	**(Unaudited) 30 Jun 2019**	**(Unaudited) 30 Jun 2018**	**Audited 31 Dec 2018**
Continuing operations				
Revenue		894,693	573,822	2,253,293
Other income		52,879	83,615	248,695
Changes in inventories of finished goods and work in progress		90,350	(31,491)	(133,382)
Raw materials and consumables used		(612,532)	(255,499)	(1,299,078)
Employee benefits expenses		(980,007)	(956,325)	(2,112,650)
Depreciation and amortisation		(369,522)	(327,202)	(674,919)
Other expenses	2	(892,911)	(844,325)	(2,197,670)
Results from operating activities		**(1,817,050)**	**(1,757,405)**	**(3,915,711)**
Finance expenses income (expenses)		38,160	4,352	(40,703)
Net finance costs		**38,160**	**4,352**	**(40,703)**
Loss before tax		**(1,778,890)**	**(1,753,053)**	**(3,956,414)**
Tax expense		-	(1,237)	(414)
Loss after tax		**(1,778,890)**	**(1,754,290)**	**(3,956,828)**
Loss from continuing operations		**(1,778,890)**	**(1,754,290)**	**(3,956,828)**
Loss of the period		**(1,778,890)**	**(1,754,290)**	**(3,956,828)**
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		3,585	14,600	1,219
Other comprehensive income for the year (net of tax)		**3,585**	**14,600**	**1,219**
Total comprehensive income for the year		**(1,775,305)**	**(1,739,690)**	**(3,955,609)**
Loss attributable to				
Owner of the Parent		(1,778,030)	(1,767,071)	(3,961,259)
Non-controlling interests		(860)	12,781	4,431
		(1,778,890)	**(1,754,290)**	**(3,956,828)**
Total Comprehensive (expenses)/ income attributable to				
Owner of the Parent		(1,774,445)	(1,752,471)	(3,960,040)
Non-controlling interests		(860)	12,781	4,431
		(1,775,305)	**(1,739,690)**	**(3,955,609)**
Loss per share				
Basic loss per share		(0.03)	(0.04)	(0.09)
Diluted loss per share		(0.03)	(0.04)	(0.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

In euro	**Note**	**(Unaudited) 30 Jun 2019**	**(Unaudited) 30 Jun 2018**	**Audited 31 Dec 2018**
Assets				
Intangible assets		1,445,453	1,537,927	1,467,478
Property, plant and equipment		950,707	1,192,772	1,062,435
Right-of-use assets		418,750	-	-
Non-current assets		**2,814,910**	**2,730,699**	**2,529,913**
Inventories		952,634	964,176	862,284
Trade and other receivables		1,099,246	767,366	2,059,217
Cash and cash equivalent		4,760,951	4,947,457	5,503,884
Current assets		**6,812,831**	**6,678,999**	**8,425,385**
Total assets		**9,627,741**	**9,409,698**	**10,955,298**
Equity				
Share capital		161,815	142,628	154,465
Share premium		23,426,027	19,973,996	22,104,240
Retained Earnings		(15,795,062)	(11,925,574)	(14,044,656)
Equity attributable to owners of Group		**7,792,780**	**8,191,050**	**8,214,049**
Non-controlling interest		26,501	35,711	27,361
Total equity		**7,819,281**	**8,226,761**	**8,241,410**
Liabilities				
Loans and borrowings		28,395	158,459	57,011
Right of use liabilities		348,878	-	-
Employee benefits		364,372	287,488	335,132
Non-current liabilities		**741,645**	**445,947**	**392,143**
Loans and borrowing		110,142	182,569	226,823
Right of use liabilities		72,403	-	-
Trade payables and other payables		884,270	554,421	2,094,922
Current liabilities		**1,066,815**	**736,990**	**2,321,745**
Total liabilities		**1,808,460**	**1,182,937**	**2,713,888**
Total equity and liabilities		**9,627,741**	**9,409,698**	**10,955,298**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In euro	Share Capital	Share premium	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance at 31 December 2017	**142,628**	**19,973,996**	**(10,250,224)**	**9,866,400**	**22,930**	**9,889,329**
Total comprehensive (expense)/income for the year						
Loss for the year period			(1,767,071)	**(1,767,071)**	12,781	**(1,754,290)**
Total other comprehensive (expense)/income			14,600	**14,600**		**14,600**
Total comprehensive (expense)/income for the period			**(1,752,471)**	**(1,752,471)**	**12,781**	**(1,739,690)**
Share-based payment			77,123	**77,123**		**77,123**
Balance at 30 June 2018	**142,628**	**19,973,996**	**(11,925,574)**	**8,191,050**	**35,711**	**8,226,761**
Total comprehensive (expense)/income for the year						
Loss of the year			(3,961,259)	**(3,961,259)**	4,431	**(3,956,828)**
Total other comprehensive (expense)/income			1,219	**1,219**		**1,219**
Total comprehensive (expense)/income for the period			**(3,960,040)**	**(3,960,040)**	**4,431**	**(3,955,609)**
Capital raised	11,837	2,355,548		**2,367,385**		**2,367,385**
Expenditure related to the issuance of shares		(225,304)		**(225,304)**		**(225,304)**
Share-based payment			165,610	**165,610**		**165,610**
Balance at 31 December 2018	**154,465**	**22,104,240**	**(14,044,656)**	**8,214,049**	**27,361**	**8,241,410**
Total comprehensive (expense)/income for the year						
Loss of the Period			(1,778,030)	**(1,778,030)**	(860)	**(1,778,890)**
Total other comprehensive (expense)/income			3,585	**3,585**		**3,585**
Total comprehensive (expense)/income for the period			**(1,774,445)**	**(1,774,445)**	**(860)**	**(1,775,305)**
Capital raised	7,350	1,462,727		**1,470,077**		**1,470,077**
Expenditure related to the issuance of shares		(140,940)		**(140,940)**		**(140,940)**
Share-based payment			24,039	**24,039**		**24,039**
Balance at 30 June 2019	**161,815**	**23,426,027**	**(15,795,062)**	**7,792,780**	**26,501**	**7,819,281**

CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2019

	(Unaudited) 30 Jun 2019	**(Unaudited) 30 Jun 2018**	**Audited 31 Dec 2018**
Loss for the year before tax	(1,778,890)	(1,753,053)	(3,956,414)
Adjusted for:			
Depreciation	211,322	175,672	357,014
Amortisation of intangible assets	158,200	151,530	317,905
Share based option payment cost	24,039	77,124	165,610
Finance income	(1,968)	(15,119)	(4,440)
Finance expense	(36,193)	10,767	45,143
Operating cash flow before working capital changes	**(1,423,490)**	**(1,353,079)**	**(3,075,182)**
Decrease / (Increase) in inventories	(90,350)	31,490	133,382
Decrease / (Increase) in trade and other receivables, prepayments	959,971	394,345	(897,506)
(Decrease) / Increase in trade and other payables	(1,276,236)	(762,431)	758,397
Increase / (decrease) in provisions and employee benefits	28,874	16,853	47,175
Net cash used in operating activities	**(1,801,231)**	**(1,672,822)**	**(3,033,734)**
Cash flows from investing activities			
Interest received	1,968	1,756	4,440
Investment in intangible assets	(107,498)	(140,127)	(207,158)
Acquisition of property, plant and equipment	(24,620)	(61,053)	(120,456)
Net cash used in investing activities	**(130,150)**	**(199,424)**	**(323,174)**
Cash flows from financing activities			
Proceeds from Capital raise	1,470,077	-	2,367,385
Expenditure related to the issuance of shares	(140,940)	-	(225,304)
Interest Paid	(11,736)	(7,563)	(16,329)
New Borrowings	-	-	66,607
Repayment of borrowings	(180,833)	(115,543)	(239,344)
Net cash generated from financing activities	**1,136,568**	**(123,106)**	**1,953,015**
Net increase in cash and cash equivalent	**(794,813)**	**(1,995,352)**	**(1,403,893)**
Effect of exchange rate changes	**51,880**	**13,364**	**(21,669)**
Cash and cash equivalents at beginning of the period	**5,503,884**	**6,929,446**	**6,929,446**
Cash and cash equivalents at end of the period	**4,760,951**	**4,947,457**	**5,503,884**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the 6 months ended 30 June 2018

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 2019 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 compliance with International Financial Reporting Standards as adopted by the EU ('EUIFRS'). 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 2018. 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 2018.

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 30 September 2019.

(b) Basis of measurement
The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) New standards adopted for the period
Effective from 1 January 2019, the Group adopted IFRS 16 – Leases (IFRS 16).

The Group elected to apply the modified retrospective approach which does not require restatement of comparative periods. As a result, lease liabilities were recognized in the opening consolidated balance sheet as at 1 January 2019 at an amount equal to the Group's remaining lease payments discounted using the Group's incremental borrowing rate. Additionally, the Group elected to measure right-of-use assets by reference to the measurement of the lease liabilities on the same date. As a result, net assets were not impacted. There was also no impact on the Group's equity at 1 January 2019.

On 1 January 2019, the Group recognised right-of-use assets and lease liabilities of Eur 456,819.

Under IFRS 16 the Group amortises its right-to-use assets and accretes interests on its lease liabilities. As at 30 June 2019, the carrying value of the right-of-use assets amounted to Eur 418,750 and the carrying value of the lease liabilities amounted to Eur 421,281.

(d) 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 ('€').

(e) Going concern

As a result of this review, the Directors believe that the Company has sufficient resources and working capital to meet their present and foreseeable obligations for a period of at least twelve months from approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Company financial statements.

2. Results from operating activities

Other expenses include:

€	30 Jun 2019	30 Jun 2018	31 Dec 2018
Technical Consultancies	239,165	206,006	478,879
General Consultancies	362,539	277,317	628,628
G&A	93,612	131,123	214,365
Travel and marketing	106,731	89,273	366,153
Rent and Lease	33,337	68,274	140,816
Other expenses	57,527	72,332	368,829
Total	**892,911**	**844,325**	**2,197,670**

3. 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 2017	-	**44,212,827**	**182**	**44,212,827**
At 31 December 2017	-	**44,212,827**	**366**	**44,212,827**
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**

Earnings per share

	30 Jun 2019	30 Jun 2018	31 Dec 2018
Loss for the year	(1,778,890)	(1,767,071)	(3,956,828)
Weighted average number of shares:			
- Basic	50,970,963	44,212,827	44,376,071
- Diluted	50,970,963	44,212,827	44,376,071
Loss per share			
- Basic	**(0.03)**	**(0.04)**	**(0.09)**
- Diluted	**(0.03)**	**(0.04)**	**(0.09)**

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