25 September 2018

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 2018.

Directa Plus' focus is principally on the two 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, and
- Textiles (based on our G+ products and technology).

Integrating our intellectual property into new products allows our customers to gain significant competitive advantage. As a company, we are committed to sharing in the proceeds of customers' growth from new products, rather than merely supplying an essential ingredient. The commercialization model we will follow is based on capturing for our shareholders a proportion of these additional revenues and profits. This could take the form of royalty payments, upfront enabling licence payments, joint-ventures to get closer to end-users or a combination of all three.

Additionally, Directa Plus will continue to pursue specific exciting opportunities in elastomers and composite materials working with selected partners. All our products are hypoallergenic, non-toxic and sustainably produced.

Summary

Financial

- Revenues for the half year to 30 June 2018 more than doubled to €573,822 (H1 2017: €278,492), reflecting the increase in the number of our customers' products launched in the market and confirming our commercial momentum.
- Costs (staff costs and other expenses) were, as always, tightly controlled and fell by more than 7 per cent to €1.8m (H1 2017: €1.94m).
- Loss after tax for the period was 16.6 per cent lower at €1.75m (H1 2017: €2.1m) and loss per share was €0.04 (2017: loss of €0.05).
- Cash at period end was €4.95m (€6.93m at 31 December 2017).

Commercial

Environmental

- Significant progress made on a number of commercial partnerships based on Grafysorber®, with products and service lines at the point of international roll-out.
- Cornerstone agreement signed in March 2018 with Sartec Srl, the oil and gas services subsidiary of the listed Italian Saras Group and one of the largest refiners in Europe, to jointly develop an industrial scale pilot plant, based on Grafysorber®, for treating oil-contaminated, or 'produced', water in the oil and gas industry worldwide.

- Successful conclusion in April 2018 of field industrial testing of Grafysorber® at an oil treatment plant belonging to OMV Petrom, the largest oil and gas group in south-eastern Europe. The agreement with Sartec to develop an industrial-scale pilot plant has enabled us to begin negotiations with OMV Petrom for a multi-year commercial agreement.

Textiles
- Leaders in graphene enhanced workwear and strong commercial engagement with leading players in Europe, India and the US.
- Exclusive collaboration agreement with Arvind Limited, India's leading textile-to-retail-and-brands conglomerate that produces over 100 million metres of fabrics and six million pairs of jeans annually, to infuse the high-performance benefits of our graphene-based products into their denim fabrics, entered into in May 2018.
- Post period end, we received a second order in July 2018 from Alfredo Grassi to supply high performance technical textiles incorporating G+, worth €0.70 million to be delivered in FY18.

Elastomers
- Strategic agreement announced in April 2018 with Marangoni S.p.A., the market leader in the supply of technologies and materials for the cold retreading of truck and bus radial tyres, with 10 production facilities and 1,300 employees worldwide. The development of the bespoke G+ product is underway with laboratory trials successfully completed in June 2018. The pilot production programme started in August 2018 with first commercial launch of a G+ product in automotive markets anticipated in 2019.
- Italian Patent and Trademark Office has granted Directa Plus a patent for the product and application of its new graphene-based solution for enhancing the performance of tyres. Patent extension has already been requested for Europe, US, China and Thailand.

Composite materials
- Cooperation agreement with Iterchimica S.r.l., an Italian company providing additives for asphalt, operating in over 70 countries. Using G+ as an asphalt additive, Iterchimica expects to commence field testing the product on a public road in Italy very shortly.
- Agreement worth approximately €0.13m with an existing customer, to produce accessories with properties derived from our G+ graphene products.

IP and Technology
- At 30 June 2018, the Company had 18 patents granted and 19 patents pending in respect of its G+ technology.
- We are exploring with an industrial partner the physical functionalisation of G+ graphene to enter the functionalised product market with brand new chemical free G+ products.

Outlook

- Current order book and the potential pipeline means the Board remains confident that the Company will meet market expectations for the full year.
- Exciting stream of next generation product launches in the pipeline addressing market with substantial revenues potential

CEO Giulio Cesareo, commenting on the results, said: *"I am delighted to report another half year of further strategic progress for the Company. We continue to make exciting progress with existing customers, which provides vital reference points for the future expansion of our international footprint.*

"In textiles we are delighted to have secured a second workwear order with Alfredo Grassi. In addition, we expect to see further natural fibre product launches and we are excited by the opportunities that are being created by our partnership with Arvind in India.

"In the Environmental sector, following the successful trial with OMV Petrom in Romania and the industrial plant engineered with Sartec, our Grafysorber® based solution will soon be ready to roll out in world markets. In line with our strategy of capturing maximum value from the downstream uses of graphene, this roll out will see the Company launch a service model – using Grafysorber® to provide water cleaning services rather than simply selling the product.

"Finally, the potential offered by Marangoni will see us applying our technology and skills acquired in the niche bicycle market to the very much larger global automotive markets where the incorporation of G+ graphene has material performance and durability benefits."

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

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This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Review of Operations

Introduction

The six months under review saw significant progress towards the wider commercial-scale adoption of our unique graphene-based products. Our proprietary process uses heat and microwaves, rather than a chemical process, to process graphite into pristine graphene ensuring a sustainable, non-toxic product, without unwanted by-products.

Directa Plus' near-term focus is on the environmental and textiles sectors, where we have established strong commercial advantages through developing and launching products with a strong technological lead. The Board believes that these two sectors have the greatest potential to achieve significant revenues and margin in the fastest time frames and we have made considerable progress in both our focus sectors in this half year. Elsewhere, we remain selective in building out the pipeline of opportunities in the elastomers and composite material sectors.

Commercialisation Strategy

Integrating our intellectual property into new products allows our customers to gain significant competitive advantage. As a company, we are committed to sharing in the proceeds of customers' growth from new products, rather than merely supplying an essential ingredient. The commercialization model we will follow is based on capturing for our shareholders a proportion of these additional revenues and profits. This could take the form of royalty payments, upfront enabling licence payments, joint-ventures to get closer to end-users or a combination of all three.

We seek to embed our products first with Italian (and regional) companies with large international footprints to provide reference customers, before rolling out globally. The success of this strategy can be seen in our progress in the textiles and contaminated water treatment markets. Our senior management team has long experience of operating in the United States and our reputation in this important market continues to grow. This was illustrated by our CEO Giulio Cesareo joining the influential and prestigious US National Graphene Association late last year.

Environmental

The treatment of contaminated water, principally in the oil and gas industry, represents a very large addressable market for Directa Plus and one in which we have already unquestionably demonstrated (in Italy, Nigeria and Romania) the step change in performance that our G+ Grafysorber® product can deliver. Independent tests show that Grafysorber® performs at least four times better than the other adsorbent products currently on the market, at a very low cost to high efficiency ratio, and the adsorbed oil and the used adsorbent material can be recovered and recycled. Our commercialisation model for this market is based on providing a decontamination service to the oil and gas companies and we are currently examining options to achieve this now that we have a route to the industrial quantities of Grafysorber needed to accomplish this.

Environmental products and service lines are at the point of international roll out with significant progress made on a number of commercial partnerships based on the Grafysorber® product. In April 2018, Directa Plus entered into a cornerstone agreement with Sartec Srl, the oil and gas services subsidiary of the listed Italian Saras Group, one of the largest refiners in Europe. Under the agreement we will jointly develop a commercial-scale industrial pilot plant, based on Grafysorber®, for treating oil-contaminated or 'produced' water in the oil and gas industry worldwide. The agreement follows initial joint research over an eight--month period during which extensive tests on Grafysorber® and the effectiveness of the continuous process equipment were successfully carried out. Sartec is currently building the plant, with Directa Plus providing technical support and expertise. The plant is expected to be commissioned in October 2018, when it will be available for on-field deployment, and capable of treating up to 500 cubic metres per day of produced water, with an easy scale up method engineered in.

The aim of the agreement with Sartec is to provide the international oil and gas industry with a demonstrable, industrial scale continuous process that:

- has the ability to effectively treat contaminated water from oil and gas operations;
- can recover the oil adsorbed by separating it from the contaminated water;
- can recycle the Grafysorber® so it can be reused within the process;
- is capable of treating high volumes of contaminated water; and
- provides the industrial reliability required by the sector.

Directa Plus and Sartec, through its global sales force, are working together to generate industrial-scale demand from the sector.

In April 2018, we announced the successful conclusion of a first industrial field testing of Grafysorber® at an oil treatment plant belonging to OMV Petrom, the largest oil and gas group in south-eastern Europe, with business segments in upstream and downstream oil and gas. The purpose of the test was to trial the ability of Grafysorber® to remove petroleum hydrocarbons from produced water so that it could be used as injection water. The results were positive, with the concentration of total petroleum hydrocarbons in the produced water reduced to below 0.5 parts per million after treatment with Grafysorber®. We are now discussing a multi-year commercial agreement with OMV Petrom as a next step with the aim to provide Grafysorber® based solutions for produce water and sludges treatment and oil spills prevention and remediation.

In July 2018 Directa Plus successfully completed the test phase of a water treatment programme with Grup Servicii Petroliere ("GSP"), a Romanian headquartered company specialising in offshore drilling, well intervention services and naval supply, and discussions for a commercial contract are already underway.

Textiles

Our graphene products for textile markets, supplied under the Graphene Plus (G+) brand, deliver material benefits to end users – including significantly increased thermal comfort and reduced odour – for little extra manufacturing cost. These benefits are delivered via our graphene compounds which can be printed on customers' fabrics and via our graphene membranes. End users can be safe in the knowledge that our products are hypoallergenic, non-toxic and sustainably produced.

Increased heat dissipation and thus thermal comfort are particularly valuable in the workwear market. The close commercial relationship established with Alfredo Grassi S.p.A., the leading manufacturer of customised protective clothing, workwear and uniforms for private and public organisations internationally, was strengthened shortly after the period end when we received a second order from Grassi worth €0.70 million to supply high performance technical textiles incorporating G+ to an Italian government agency. This order will be delivered in the second half of the year, so the full financial benefits of this order will also be recognised in the current financial year. This follows a previously successful tender by Grassi in September

2017 for similar workwear which is worth some €0.60 million to Directa Plus. We are optimistic that these two orders could lead to increased penetration of the 250,000-piece Italian military, firefighting and law enforcement markets. Further upside is available internationally and we are engaging with the leading players in the workwear sector in Europe, India and the US.

From printing G+ compounds on synthetic fabrics for the workwear markets, we have developed our technology to do the same for natural fabrics. This has allowed us to extend our addressable markets in textiles into the casual and luxury segments where we have seen a gratifying and exciting response to our increased marketing efforts.

In May 2018, we signed an exclusive collaboration agreement with Arvind Limited, India's leading textile-to-retail-and-brands conglomerate, to infuse the high-performance benefits of our graphene-based products into their denim fabrics. Arvind Denim produces over 100 million metres of fabrics and six million pairs of jeans, and supplies a portfolio of brands that are distinctive and relevant across diverse consumers including Cherokee, Excalibur, Flying Machine, Gant, Levi's, Nautica, Pier Cardin Paris, Tommy Hilfiger and Wrangler. Directa Plus' G+ Planar Thermal Circuit application can be printed directly onto denim to significantly increase comfort via heat dissipation. Post period end, Arvind announced an investment programme of some US$350 million over the next five years to boost its large-scale garment manufacturing and to strengthen technology applications in its textiles, environment and composite material businesses.

Directa Plus and Arvind believe that the 'smart denim' that will result from our collaboration will yield some of the smartest, most widely-used fabrics in the denim market in the years ahead.

Giulio Cesareo will be delivering a Tech Talk on the potential for graphene in the textile industry at the India Italy Technology Summit in New Delhi at the end of October 2018. The event is sponsored by the Government of India's Department of Science and Technology and the Confederation of Indian Industry and will provide an important opportunity to showcase Directa Plus products to business owners and managers.

Directa Plus entered into a Joint Development Agreement with Oakley in 2017 and we anticipate that Oakley will commence regular production of cycling apparel enhanced with the G+ planar thermal circuit application shortly. Sportswear was one of the first G+ textile applications and in addition to Oakley, we now supply four customers with launched sportswear ranges, including a ski range.

Elastomers and Composite Materials
The automotive and automotive infrastructure markets represent significant potential additional markets for Directa Plus. In tyres, our engagement with Italian-headquartered Vittoria S.p.A., the world's leading manufacturer of premium bicycle tyres, resulted in Vittoria launching a range of tyres and wheels enhanced by our G+ products in 2015. The incorporation of G+ offers improved speed, grip, strength and increased puncture resistance and we are now seeking to apply these properties in the much larger automotive market with a new partner.

A strategic agreement with Marangoni S.p.A., signed in April 2018, allows us to jointly develop a bespoke version of G+ to improve the performance of Marangoni compounds in truck and bus tyre retreading. Based in Italy, Marangoni is an international group with 10 production facilities and 1,300 employees worldwide and is the market leader in the supply of technologies and materials for the cold retreading of truck and bus radial tyres. The incorporation of G+ is expected to improve the performances of retreaded tyres by increasing grip, durability and fuel efficiency as well as extending lifespan. The development of the bespoke G+ product is well underway, following which it will be incorporated into Marangoni's tyres in a pilot programme with a view to a first commercial launch of a G+ product in automotive markets in 2019.

In automotive infrastructure, we have a partnership with Iterchimica S.r.l., an Italian company providing additives for asphalt, operating in over 70 countries. Using G+ as an asphalt additive, Iterchimica expects to commence field testing the product on a public road in Italy very shortly. In addition, Iterchimica is in discussions with the company responsible for managing the M25 motorway around London with a view to testing the product on this extremely busy highway. The use of graphene as an additive to asphalt can increase fatigue resistance by up to 250 per cent, extending significantly the service life of the pavement and at a lower life cycle cost than existing tarmacs.

At the end of April 2018, we entered into a 12-month exclusivity agreement and nine-month development agreement with an existing customer, a global luxury accessories producer, to produce accessories with increased mechanical properties derived from our G+ planar thermal circuit and membrane products. Directa Plus has commenced work with the client at our Advanced Development Area facility, which has the added benefit of reducing the time it will take to bring the product to market. We expect to move to a full-scale commercial agreement shortly after the completion of the development project.

IP and Technology
At 30 June 2018, the Group had 18 patents granted and 19 patents pending in respect of its G+ technology. We are now actively developing, with an industrial partner, a molecule which will further upgrade the mechanical properties of the customer's existing polymer. This will form the basis for a new family of brand new chemical free G+ products.

People
We have continued to make important hires into both R&D and Sales adding further strength and depth to our organisation. We are pleased to have a stable, highly skilled and committed workforce.

Financial
Revenues for the half year to 30 June 2018 more than doubled to €0.57m (H1 2017: €0.28m), reflecting the increase in the number of our customers' products launched in our targeted markets and confirming our commercial momentum. Costs (staff costs and other expenses) were tightly controlled and fell by more than 7 per cent to €1.8m (H1 2017: €1.94m). The reduction was mainly driven by lower employee benefits expenses (€0.08m) and other expenses (€0.06m). Despite the control on costs we continue to grow the amount of P&L expenses related to the sales, marketing and technical initiatives that are vital to the development, and strengthening, of the relationships with potential business partners which will drive the Company to the next stage of its commercialisation.

The EBITDA loss for the period reduced to €1.43 million compared with a €1.68 million loss for H1 2017, driven by cost reduction and increased revenues. Loss after tax for the period was 16.6 per cent lower at €1.75m (H1 2017: €2.1m) and loss per share was €0.04 (2017: loss of €0.05). The reduction was primarily due to the combined effect of EBITDA improvement and an increase in finance income. Finance income for the period was €4,352 compared with finance expense of €101,265 in H1 2017.

Adjusted EBITDA (€m)	**H1 2018**	**H1 2017**

Result from operating activities	(1.76)	(2.00)
D&A	0.33	0.32
EBITDA	**(1.43)**	**(1.68)**

An investment in tangible and intangible assets of €0.2 million (H1 2017: €0.4 million) was incurred during the period, mainly related to IP development (€0.05 million), capitalisation of development costs (€0.05 million), purchase of equipment to improve the expansion phase of the manufacturing process (€0.05 million) and equipment related to health and safety (€0.05 million).

Cash at the period end was €4.95m (H1 2017: €8.22m and €6.93m at 31 December 2017).

Outlook

Directa Plus is in good shape with an exciting stream of revenue-generating product launches in the pipeline.

We continue to make exciting progress with existing customers, which will provide vital reference points for the future expansion of our international footprint. In textiles, we expect to see further natural fibre product launches and we are excited by the opportunities that are being created by our partnership with Arvind in India. In the Environmental sector, following the successful trial with OMV Petrom in Romania and the industrial plant developed with Sartec, our Grafysorber® based solutions will soon be ready to roll out in world markets. In line with our strategy of capturing maximum value from the downstream uses of graphene, this roll out will see the Company launch a service model – using Grafysorber® to provide water cleaning services on a per litre basis rather than simply selling the product.

Finally, the potential offered by Marangoni will see us applying our technology and skills acquired in the niche bicycle market to the very much larger global automotive markets where the incorporation of our G+ graphene has material performance and durability benefits.

We look forward to the second half and beyond with increased confidence and with the current order book and the potential pipeline, the Board remains confident that the Company will meet market expectations for the full year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

In euro	**Note**	**(Unaudited) 30 Jun 2018**	**(Unaudited) 30 Jun 2017**	**(Audited) 31 Dec 2017**
Continuing operations				
Revenue		573,822	278,492	952,199
Other income		83,615	52,850	281,493
Changes in inventories of finished goods and work in progress		(31,491)	220,287	390,291
Raw materials and consumables used		(255,499)	(296,589)	(809,740)
Employee benefits expenses		(956,325)	(1,037,761)	(2,203,558)
Depreciation and amortisation		(327,202)	(318,725)	(633,784)
Other expenses	2	(844,325)	(902,146)	(1,771,285)
Results from operating activities		**(1,757,405)**	**(2,003,592)**	**(3,794,384)**
Finance expenses income (expenses)		4,352	(101,265)	(151,808)
Net finance costs		**4,352**	**(101,265)**	**(151,808)**
Loss before tax		**(1,753,053)**	**(2,104,857)**	**(3,946,192)**
Tax expense		(1,237)	-	(1,239)
Loss after tax		**(1,754,290)**	**(2,104,857)**	**(3,947,431)**
Loss from continuing operations		**(1,754,290)**	**(2,104,857)**	**(3,947,431)**
Loss of the period		**(1,754,290)**	**(2,104,857)**	**(3,947,431)**
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		14,600	(5,947)	(4,704)
Other comprehensive income for the year (net of tax)		**14,600**	**(5,947)**	**(4,704)**
Total comprehensive income for the year		**(1,739,690)**	**(2,110,804)**	**(3,952,135)**
Loss attributable to				
Owner of the Parent		(1,767,071)	(2,108,448)	(3,948,133)
Non-controlling interests		12,781	3,591	702
		(1,754,290)	**(2,104,857)**	**(3,947,431)**
Total Comprehensive (expenses)/ income attributable to				
Owner of the Parent		(1,752,471)	(2,114,395)	(3,952,837)
Non-controlling interests		12,781	3,591	702
		(1,739,690)	**(2,110,804)**	**(3,952,135)**
Loss per share				
Basic loss per share		(0.04)	(0.05)	(0.09)
Diluted loss per share		(0.04)	(0.05)	(0.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

In euro	**(Unaudited) 30 June 2018**	**(Unaudited) 30 June 2017**	**Audited 31 Dec 2017**
Assets			
Intangible assets	1,537,927	1,647,825	1,572,309
Property, plant and equipment	1,192,772	1,418,515	1,284,412
Non-current assets	**2,730,699**	**3,066,340**	**2,856,721**
Inventories	964,176	825,661	995,666
Trade and other receivables	767,366	1,046,753	1,161,711
Cash and cash equivalent	4,947,457	8,216,061	6,929,446
Current assets	**6,678,999**	**10,088,475**	**9,086,823**
Total assets	**9,409,698**	**13,154,815**	**11,943,544**
Equity			
Share capital	142,628	142,628	142,628
Share premium	19,973,996	19,973,996	19,973,996
Retained Earnings	(11,925,574)	(8,541,468)	(10,250,225)
Equity attributable to owners of Group	**8,191,050**	**11,575,156**	**9,866,399**
Non-controlling interest	35,711	25,819	22,930
Total equity	**8,226,761**	**11,600,975**	**9,889,329**
Liabilities			
Loans and borrowings	158,459	480,437	211,791
Employee benefits	287,488	265,477	282,031
Non-current liabilities	**445,947**	**745,914**	**493,822**
Loans and borrowing	182,569	96,018	244,780
Trade payables and other payables	554,421	711,908	1,315,613
Current liabilities	**736,990**	**807,926**	**1,560,393**
Total liabilities	**1,182,937**	**1,553,840**	**2,054,215**
Total equity and liabilities	**9,409,698**	**13,154,815**	**11,943,544**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2018

In euro	Share Capital	Share premium	Retained Earnings	Total	Non-controlling interests	Total Equity
At 01 January 2017 (Audited)	**142,628**	**19,973,996**	**(6,552,965)**	**13,563,659**	**22,228**	**13,585,887**
Loss for the year period			(2,108,448)	**(2,108,448)**	3,591	**(2,104,857)**
Other comprehensive loss			(5,947)	**(5,947)**		**(5,947)**
Total comprehensive loss for the period			**(2,114,394)**	**(2,114,394)**	**3,591**	**(2,110,803)**
Share-based payment reserve			125,893	**125,893**		**125,893**
Balance at 30 June 2017 (Unaudited)	**142,628**	**19,973,996**	**(8,541,468)**	**11,575,157**	**25,819**	**11,600,975**
Loss for the year period			(3,948,133)	(3,948,133)	**702**	**(3,947,430)**
Other comprehensive income			(4,704)	(4,704)		**(4,704)**
Total comprehensive loss for the period			**(3,952,837)**	**(3,952,837)**	**702**	**(3,952,135)**
Non controlling interest in Directa Textile Solutions						
Share-based payment reserve			255,578	**255,578**		**255,578**
At 01 January 2018 (Audited)	**142,628**	**19,973,996**	**(10,250,226)**	**9,866,398**	**22,930**	**9,889,329**
Loss for the year period			(1,767,071)	**(1,767,071)**	12,781	**(1,754,290)**
Other comprehensive loss			14,600	**14,600**		**14,600**
Total comprehensive loss for the period			**(1,752,471)**	**(1,752,471)**	**12,781**	**(1,739,690)**
Share-based payment reserve			77,123	**77,123**		**77,123**
Balance at 30 June 2018 (Unaudited)	**142,628**	**19,973,996**	**(11,925,574)**	**8,191,050**	**35,711**	**8,226,761**

CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2018

	(Unaudited) 30 June 2018	(Unaudited) 30 June 2017	Audited 31 Dec 2017
Loss for the year before tax	(1,753,053)	(2,104,857)	(3,946,191)
Adjusted for:			
Depreciation	175,672	182,197	347,042
Amortisation of intangible assets	151,530	135,838	286,742
Write off	-	8,554	16,738
Share based option payment cost	77,124	125,893	255,578
Finance income	(15,119)	(808)	(5,501)
Finance expense	10,767	102,073	157,309
Operating cash flow before working capital changes	**(1,353,079)**	**(1,551,110)**	**(2,889,523)**
Decrease / (Increase) in inventories	31,490	(220,287)	(390,291)
Decrease / (Increase) in trade and other receivables, prepayments	394,345	115,722	(3,394)
(Decrease) / Increase in trade and other payables	(762,431)	(160,824)	442,867
Increase / (decrease) in provisions and employee benefits	16,853	29,352	44,051
Net cash used in operating activities	**(1,672,822)**	**(1,787,147)**	**(2,796,291)**
Cash flows from investing activities			
Interest received	1,756	808	5,501
Investment in intangible assets	(140,127)	(57,061)	(122,347)
Acquisition of property, plant and equipment	(61,053)	(295,218)	(340,071)
Net cash used in investing activities	**(199,424)**	**(351,471)**	**(456,917)**
Cash flows from financing activities			
Interest Paid	(7,563)	(10,058)	(20,481)
Repayment of borrowings	(115,543)	(116,280)	(236,164)
Net cash generated from financing activities	**(123,106)**	**(126,338)**	**(256,645)**
Net increase in cash and cash equivalent	**(1,995,352)**	**(2,264,956)**	**(3,509,853)**
Effect of exchange rate changes	**13,364**	**(89,194)**	**(130,912)**
Cash and cash equivalents at beginning of the period	**6,929,446**	**10,570,211**	**10,570,211**
Cash and cash equivalents at end of the period	**4,947,457**	**8,216,061**	**6,929,446**

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 2018 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 2017. 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 2017.

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 24 September 2018.

(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 ('€').

(d) 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 2018	30 Jun 2017	31 Dec 2017
Technical Consultancies	206,006	191,389	315,697
General Consultancies	277,317	276,595	439,583
G&A	131,123	150,712	362,331
Travel and marketing	89,273	119,055	211,712
Rent and Lease	68,274	91,356	195,438
Other expenses	72,333	73,038	246,523
Total	**844,325**	**902,146**	**1,771,285**

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**

Earnings per share

	30 Jun 2018	30 Jun 2017	31 Dec 2017
Loss for the year	(1,767,071)	(2,104,857)	(3,948,133)
Weighted average number of shares:			
- Basic	44,212,827	44,212,827	44,212,827
- Diluted	44,212,827	44,212,827	44,212,827
Loss per share			
- Basic	**(0.04)**	**(0.05)**	**(0.09)**
- Diluted	**(0.04)**	**(0.05)**	**(0.09)**

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