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

28 September 2017

Directa Plus plc
("Directa Plus" or the "Company")

Interim Results

Strong progress in customer engagement and applications development, and enhanced production capacity

Directa Plus (AIM: DCTA), a producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to provide an update on its commercialisation and development activities, and financial results, for the six months ended 30 June 2017.

Commercialisation activities

Textiles

- Entered into a Joint Development Agreement ("JDA") with Alfredo Grassi S.p.A. ("Grassi"), a leading manufacturer of customised protective clothing, workwear and uniforms, to bring to market a range of technical textiles and garments leveraging the unique properties of Graphene Plus ("G+")
- Colmar, a high end sportswear company, launched expanded collection of 16 garments incorporating G+
- Progressed the development with Eurojersey S.p.A. of their first range of G+ enhanced textiles for their leading Sensitive® Fabrics brand under a JDA signed during the period
- JDA signed with a leading global product design and sports performance brand

Environmental

- Eni S.p.A. ("Eni"), one of the world's largest oil and gas companies, and the Company jointly presented to the 6th International Conference on Environmental Chemistry and Engineering, confirming the unique oil adsorption capability of the Company's Grafysorber®
- Delivered Grafysorber® for oil decontamination activities in Nigeria in collaboration with Eni
- Discussions advanced for the rental/sale of Mobile Production Units ("MPU") for Grafysorber® in Europe, Africa and the Middle East
- Progressed discussions for the decontamination of produced water with major international oil and gas companies

Composites

- Received first order for two different grades of G+ from a leading global manufacturer of brake pads with which the Company has a JDA
- Luxottica Group S.p.A., a global leader in fashion, luxury and sports eyewear, launched their first Ray-Ban collection enhanced by G+ that was developed under a JDA signed in 2015

Elastomers

- Parker, a leading company in rubber-based applications, continued to test G+ materials that have been further developed for a wide range of potential applications

Post period-end highlights

- Appointed Luca Provolo, a former senior executive at W.L. Gore & Associates, the producer of technologically-advanced fabrics such as GORE-TEX® and Windstopper®, as Head of Sales with a primary focus on textiles
- JDA signed with a global leader in branded lifestyle apparel, footwear and accessories
- Commercial progress with Grassi already achieved, which, as also announced today, has been awarded a contract to deliver highly performant uniforms to an Italian state-owned company and Directa Plus has received its first order for G+ from Grassi for inclusion in the workwear

- Signed an agreement with OMV Petrom, a leading Romanian integrated oil and gas company, for field testing Grafysorber® for treating oil-contaminated water
- Received an order for G+ from Vittoria and expects to receive, in November 2017, further orders for 2018

Development activities

- Launched Advanced Development Area ("ADA") to enable the Company to work more closely with its key customers, reduce time-to-market and to certify production
- Launched 'G+ Certified Experience' logo, available to selected partners to confirm the advertised performance benefits of products enhanced by G+
- Continuous improvement programme expected to deliver further production and capacity benefits
- Agreement signed with the IIT (Istituto Italiano di Tecnologia), a major Italian research centre, to develop the next generation of Grafysorber®
- Post period end, the Company received a grant from the European Regional Development Fund in respect of a €6.5 million project to develop innovative asphalts and bitumen based on G+

Key performance indicators and financial summary

	H1 2017	**H1 2016**
Revenue from product sales	€0.3m	€0.4m
Adjusted loss after tax*	€2.0m	€2.3m
Cash and cash equivalents	€8.2m	€13.1m
Number of active customers	20	11
Total number of patents	15	14

- Revenue from product sales of €0.3 million (H1 2016: €0.4 million)
- Loss after tax for the period was €2.1 million (H1 2016: €3.8 million loss)
- Adjusted loss after tax* for the period was €2.0 million (H1 2016: €2.3 million loss)
- EBITDA* loss for the period was €1.7 million (H1 2016: €1.5 million loss)
- Adjusted EBITDA loss* for the period was €1.6 million (H1 2016: €1.1 million)
- Cash and cash equivalents at period end of €8.2 million (31 December 2016: €10.6 million)

* Details about loss after tax and EBITDA adjustments in H1 2017 and H1 2016 are provided in the Financial Review section below.

Giulio Cesareo, Chief Executive Officer of Directa Plus, said: "During the first six months of 2017, we have built strongly on the foundations we established last year. We have continued to deepen our engagement with existing and potential customers, particularly through the launch of our Advanced Development Area and our proven ability to produce consistent G+ materials at scale. Our greater market knowledge is serving us well and more customers have launched further end-products incorporating G+. We have entered into strategic JDAs with some of the world's largest companies and are particularly pleased with the growing momentum within the business. This is a strong vindication of the strength of our offer and the disruptive benefits of G+. As a result of the commercial progress made during the first half, we anticipate a much stronger second half of the year, where we expect to report more than double the revenues achieved in the first half of the year. However, the Company is taking a prudent approach regarding the timing of concluding certain sales in the textile and environmental segments and therefore expect this will have a consequential impact on expectations for the full year.

"We believe we are at the forefront of the developing graphene market and as more customers prepare to launch products incorporating G+, we remain confident of delivering sustained growth from 2018. The opportunities for G+ remain substantial and the Board continues to look to the future with optimism."

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Operating Review

During the first six months of 2017, Directa Plus built on the foundations that it had established in the prior year of improved development and engineering capability, and much greater market knowledge of what the end customer requires from G+. The Company strengthened its relationships with existing and potential customers to enable it to provide more comprehensive solutions – which has been facilitated by the launch during the period of its Advanced Development Area. The Company also continued to improve its production processes and product development. This included signing an agreement with the IIT (Istituto Italiano di Tecnologia), a major Italian research centre, to develop the second generation of Grafysorber® for water treatment applications.

Commercial progress

The momentum in commercial progress achieved during the prior year was sustained into 2017 with more customers launching further end-products incorporating the Company's graphene-based products and the Company entering into new strategic JDAs. These customers and potential customers are some of the world's largest companies operating in Directa Plus' key target markets. In addition, Directa Plus has worked extensively with its customers to develop more comprehensive solutions to support them in adjusting their production processes to better incorporate the Company's graphene-based products.

Textile

By incorporating G+ products within fabrics and textiles, end-users can benefit from the thermal and electrical conductivity and bacteriostatic properties of G+, such as thermal regulation, heat dissipation, energy harvesting, data transmission and no odour effect. The Company offers two key textile products: printed G+ planar thermal circuit and G+ membrane. Directa Plus' strategy for the textile industry includes:

- Engaging with an increasing number of companies in different textile segments to broaden the promotion of existing and proven G+ products across the textile markets
- Developing the in-house sales team leveraging existing products and knowledge
- Sustaining the development of the ingredient branding strategy in order to offer a performance certification to final users, which also increases G+ brand awareness
- Establishing a global footprint as a leader in graphene products for the textile industry

In the first half of 2017, graphene sales into the textiles segment increased to €0.21 million compared with €0.03 million in H1 2016 and Directa Plus is confident that, through its developing customer base in this area, the textiles segment will be a key driver of the Company's growth.

Directa Textile Solutions

During the first half of 2017, the Company continued to gain traction with Directa Textile Solutions ("DTS") following its launch in November 2016. DTS markets a complete range of graphene-based technical and high-performance membranes, and enables the Company to move further up the value chain and be positioned closer to commercial brands. In particular, the Company has gained greater access to new markets such as technical textiles. The orders received to date are already more than double the value of the Company's initial investment in DTS and the Company is pleased with the progress being made.

Alfredo Grassi

The Company entered into a JDA with Alfredo Grassi S.p.A., a leading manufacturer of customised protective clothing, workwear and uniforms for private and public organisations globally. This followed detailed testing of Directa Plus' graphene by Grassi to assess the potential benefits that could be delivered by incorporating the Company's graphene into their products. Under the terms of the JDA, the companies will seek to market a range of technical textiles and garments containing Directa Plus' graphene-based products to the customers of Grassi, with the initial focus being on garments with linings printed with G+ combined with waterproof, breathable textiles.

The Company and Grassi believe that there is a very real market opportunity to enhance Grassi's industry garments and branded corporate wear. Through the JDA, Grassi and Directa Plus have already developed a range of workwear clothing featuring G+ that has been marketed to Grassi's clients. Following a competitive tender process, Grassi has been awarded the contract to provide an Italian state-owned company with G+ enhanced clothing for their employees. As a result, as also announced today, Directa Plus has received its first order for G+ from Grassi for inclusion in the workwear being provided under this contract. The Company is delighted at the success of this first tender with Grassi. With Grassi having a leading market position in the provision of workwear and customised uniforms across a range of sector verticals (including law enforcement, fire and safety and the military), Directa Plus is excited about the opportunities that this relationship with Grassi could yield for the Company.

Colmar
During the period, Colmar, the high-end sportswear company, launched a second collection of 16 garments incorporating G+ materials. One of the new jackets, the Technologic G+, was selected as a Gold Winner in the 'Ski' category at ISPO Munich, an international multi-segment exhibition for sports businesses, which, each year, honours exceptional sporting goods.

Eurojersey
Eurojersey S.p.A., part of the Carvico group, a producer of high quality warp-knit technical fabrics, unveiled a number of prototype graphene-enhanced textiles developed in collaboration with the Company following the signing of a JDA in January 2017. The companies are now working on the first range of graphene-enhanced textiles to be marketed under Eurojersey's leading Sensitive® brand and targeting the sportswear, leisure and underwear sectors. Significant Eurojersey customers include Lululemon, Victoria's Secret, Rapha and GAP.

Other
In addition to Grassi, the Company signed a JDA with a leading global product design and sport performance brand and, post period end, the Company signed a JDA with a global leader in branded lifestyle apparel, footwear and accessories. These companies greatly value G+ materials for their non-toxicity and this is a proven and major competitive advantage for Directa Plus.

During the period, Directa Plus was awarded a grant by the European Regional Development Fund via the Lombardy regional government in respect of a €1 million project focusing on the development of G+ membranes to enhance the thermal and electrical performance of membranes for fashion applications. The project is a collaboration between Directa Plus, the Politecnico of Milan University and two other companies, with Directa Plus as project leader. Directa Plus is investing €308k and will receive a grant of €126k following the completion of the project in December 2018. The grant is aligned with the Company's textile development strategy, and targeted to reduce costs and expand the range of high performance G+ textile products.

Post period end, the Company appointed Luca Provolo as Head of Sales, with a primary focus on the textiles market – both G+ planar circuit and G+ membrane. Luca brings significant experience in sales and business development, having worked for over 25 years at W.L. Gore & Associates, the producer of technologically-advanced fabrics such as GORE-TEX® and Windstopper®, as European Sales Leader for the Workwear Division and as Country Sales Leader in the Technical Fabrics Division in Italy, Spain, Portugal and Romania. Luca has been tasked with building upon his proven track record of business sales across Europe and Asia and identifying new opportunities, primarily in the textiles sector for developing partnerships with new customers. He is also responsible for building upon and strengthening the sales function of Directa Plus, as the Company increasingly progresses from the R&D phase into the sales and commercialisation phase.

Environmental
The Company's G+ product for the environmental industry, Grafysorber®, has a unique tested and proven oil

adsorption capacity. Grafysorber® is able to deliver a disruptive solution in the water treatment industry where traditional products have a comparatively low effectiveness. The Company is pursuing two main paths of development:

- Directa Plus' oil adsorbent products (barriers, pillows and loose material of G+), which have been tested and endorsed, are available for sale. The Company intends to scale up its commercial footprint and develop a larger salesforce with agents and distributors to target the global market.
- The Company plans to move into the decontamination, using Grafysorber®, of produced water from oil and gas operations. A pilot plant has been established and tested at the Company's Advanced Development Area and is undergoing ongoing improvements and scale up. The Company is working closely with a major engineering company, part of one of the largest refinery groups in Europe, to develop a plant for on-field tests with several European and Middle Eastern oil companies, for commercialisation in the second half of 2018.

Romania

The Company entered discussions with OMV Petrom, a Romanian integrated oil and gas company, to establish Grafysorber® as the preferred solution for their upstream decontamination and oil recovery activities and, post period end, signed an agreement to conduct field tests, which will be scheduled shortly. Directa Plus has also advanced negotiations with Oil DEPOL Group, a leading Romanian decontamination company, and Demeco, a Romanian water treatment company, who are already using Grafysorber®, for the purchase or renting of an MPU.

Oman

Directa Plus continued to progress discussions in the Middle East region on the advantages of its MPUs and, as noted above, its objective is to move into the decontamination of produced water from enhanced oil recovery. This potentially represents a substantial market opportunity with Grafysorber® being a unique solution to the problem.

Italy

During the period, Directa Plus, in collaboration with Eni, one of the world's largest oil and gas companies, delivered products based on Grafysorber® for decontamination activities to be performed in the oil and gas sector in Nigeria. This followed the successful testing last year of Grafysorber® by Eni. In July 2017, Eni and Directa Plus presented the test results at the 6th International Conference on Environmental Chemistry and Engineering in Rome. The Company is also in negotiation with Syndial, an Eni company that provides an integrated service in the field of environmental remediation, for the rental of an MPU.

Composite Materials

In the composite materials market, the Company's G+ products can be incorporated into a variety of materials to enhance their existing properties or to confer new ones. These properties range from mechanical reinforcement to electrical/thermal conductivity to barrier and tribological properties.

Directa Plus is assisting existing clients in the development phase to expedite the commercial launch of their end-products into the market. In particular, the Company is working with a leading manufacturer of brake pads, which placed an order during H1 2017 for two different grades of G+ and the Company expects to receive another order in the second half of the year. This followed the completion in H2 2016 of a joint R&D project conducted under a JDA signed in 2015.

Also during the period, Luxottica Group S.p.A., a leader in the design, manufacture, distribution and sale of fashion, luxury and sports eyewear, launched their first Ray-Ban collection enhanced by G+. The new spectacles range was developed under a two-year JDA signed in 2015 and the Company expects to receive further revenues in the second half of the year associated with ongoing development work under the JDA.

Elastomers

In the elastomers market, the Company's G+ products can be incorporated into end-products, in particular tyres and rubber hoses, to enhance their technical performance with properties such as lower rolling resistance and greater grip, puncture resistance and strength. The Company's approach to developing this market includes:

- Leveraging the significant experience gained in the bike tyre industry to target motorbike and automotive markets, with the latter being a key target market for future growth. The Company has been working in the automotive tyre industry since 2016, engaging with several major global tyre companies, and remains confident in targeting the development of automotive tyres using G+ products.
- Rubber hoses and pipes represent significant potential markets and Directa Plus has been working over the last two years with global companies to bring end-products to market.
- As with the composite materials industry, Directa Plus is assisting clients in the development phase to expedite the commercial launch of their end-products into the market.

As anticipated and previously reported, the Company experienced a reduction in volume during the period of sales to Vittoria as, following robust growth in 2016 as a result of an intensive marketing campaign, the market adjusted to ongoing levels of demand across the Vittoria product range. However, post period end, Directa Plus received an order for G+ from Vittoria and expects to receive, in November 2017, further orders for 2018. The performance of cyclists using the G+ tyres continued to be strong with victories in various competitions, including the winner of the Giro d'Italia, Tom Dumoulin, who used G+ graphene tyres at every stage of the tour.

The Company signed, post period end, a JDA with a leader in branded lifestyle apparel, footwear and accessories, whose brands include a leading global footwear company for which Directa Plus will develop a sustainable solution for high performance soles. G+ materials can provide thermal conductivity, greater durability and less deformation and the Company is excited by the potential of this market opportunity.

In addition, Parker, a leading company in rubber-based applications, continued to test G+ materials in a wide range of applications.

Strategy and product development

Launch of Advanced Development Area

At its headquarters in Milan, the Company launched its Advanced Development Area. The newly-built, large fully-equipped space enables Directa Plus to work more closely with its customers in conducting joint research and developing and tailoring its products to suit its customers' needs, thereby reducing the time it takes for customers to launch their end-user products. The ADA has four areas that are dedicated to water treatment solutions; textile development and characterisation; development of new grades of G+ materials; and material analysis.

In the laboratory dedicated to water treatment solutions, the Company has developed a pilot plant to demonstrate the ability of Grafysorber® to absorb oil from high concentration to less than one part per million. As noted above, Directa Plus intends to scale up this pilot plant into industrial-scale continuous equipment over the next twelve months for commercialisation in the second half of 2018. Directa Plus is already working with a major engineering company that is assisting and contributing to the scale-up.

Product and process development

During the first half of 2017, the Company signed an agreement with the IIT (Istituto Italiano di Tecnologia), a major and well-respected Italian research centre with more than 1,200 researchers and scientists, to develop the second generation of Grafysorber® for water treatment applications. The three-year agreement has two primary work streams. First, to develop a treatment for the external fabric of Grafysorber® booms to increase the penetration of oil and prohibit the adsorption of water, thereby maximising the oil absorption capability of the Grafysorber®. The second objective is to enable the Grafysorber® to form a porous 3D structure based on a polymeric network that "glues" the individual grains together. Both of these improvements will increase the adsorption capability of Grafysorber® and the ease with which it can be used.

Following the significant increase in production efficiency achieved in 2016 as a result of the Throughput Project, the Company continued to seek means of improving its manufacturing process during the period. The Company expects these enhancements to deliver further production and capacity benefits.

Certifications

Directa Plus successfully completed the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) registration procedures. REACH is a regulation of the European Union that requires the registration of substances manufactured or imported into the EU in quantities of 1 tonne or more per year. It was adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.

In addition, the Company launched its own 'G+ Certified Experience' logo, which will be given to selected partners to display on their products after testing has shown that the products contain the right quality and quantity of G+ to achieve the performance benefits advertised. The logo also testifies to the sustainable credentials of the product. Directa Plus plans to increase its brand awareness in the areas of sustainability and innovation, which are represented by the new G+ Certified logo.

Grant award

Post period end, the Company was awarded a grant from the European Regional Development Fund in respect of a €6.5 million project focusing on the development of innovative asphalts and bitumen based on G+ graphene. Directa Plus will provide the graphene-based products, and will work in collaboration with a leading asphalt additive producer, a company active in the waste management industry, as well as the Milano Bicocca University. Directa Plus expects to invest €419k and receive a grant of €214k following completion of the project in October 2019. The grant is aligned with the Company's development strategy for Grafysorber®: after being used to treat an oil spill or for decontamination of produced water, the exhausted material can be utilised in asphalt to increase the mechanical and thermal properties. The Company believes that the market opportunity exists and that this project will expedite the commercial adoption of Grafysorber® for use in asphalt and bitumen.

Project selection

All new projects in all of Directa Plus' key markets will be pursued only after careful assessment of resources required to complete the project compared with potential market opportunity and timing thereof.

Financial Review

Revenue for the first half of 2017 was €0.3 million (H1 2016: €0.4 million), with the decline being a result of a reduction in volume of sales into the bicycle tyre segment as the market adjusted to ongoing levels of demand across Vittoria's product range. Excluding sales into the bicycle tyre segment, revenues grew by approximately 200% from €0.1 million in H1 2016 to €0.3 million in H1 2017. Other income (which includes grants received by the Company) was €0.05 million (H1 2016: €0.04 million). Whilst grants are important, the Company is primarily focused on commercial and applications development, rather than applying for grants that are inconsistent with the business' principal strategies.

An investment in tangible and intangible assets of €0.4 million (H1 2016: €0.1 million) was incurred during the period, mainly relating to the purchase of equipment for the newly-built ADA and for the purchase of equipment under the Throughput Project to improve the manufacturing process.

The loss after tax during H1 2017 was €2.1 million compared with €3.8 million loss during H1 2016. The reduction was primarily due to a decrease in finance expenses (€0.9 million) and the expenses incurred in H1 2016 associated with the fair value adjustment of the embedded derivative associated with the convertible loan notes (€1.0 million), offset slightly by the increase in EBITDA loss (€0.2 million). The EBITDA loss for the period was €1.7 million compared with €1.5 million loss for H1 2016, with the increase primarily due to the lower revenue and an increase in raw material and consumables expenses. On an adjusted basis, loss after tax for H1 2017 was €2.0 million (H1 2016: €2.3 million loss) and the adjusted EBITDA loss was €1.6 million (H1 2016: €1.1 million loss). Further details on the adjustments are contained in the tables below:

Adjusted Loss (€m)	H1 2017	H1 2016
Losses of the period	(2.1)	(3.8)
Non recurring IPO costs	-	0.43
Fair value movement of embedded derivative	-	1.04
Share option costs	0.1	
Adjusted losses	**(2.0)**	**(2.3)**

Adjusted EBITDA (€m)	H1 2017	H1 2016
Result from operating activities	(2.0)	(1.8)
D&A	0.3	0.3
EBITDA	**(1.7)**	**(1.5)**
Share option costs	0.1	
Non-recurring IPO costs		0.4
Adjusted EBITDA losses	**(1.6)**	**(1.1)**

There was a significant increase in the level of inventory in H1 2017 compared with the first half of the prior year and as at 31 December 2016 as the Company prepared for anticipated production demand. However, by producing in industrial quantities, the Company benefited from economies of scale and gained a greater understanding of how to improve the production process to increase efficiency.

Cash and cash equivalents at 30 June 2017 were €8.2 million (31 December 2016: €10.6 million) with the reduction primarily due to operational losses incurred and capital expenditure.

Outlook

In 2017, the Company has been engaged in a continuous improvement programme that is delivering additional efficiencies and capacity benefits and further progress is expected, underpinning Directa Plus' proven ability to produce consistent, certified production at scale. This is a key consideration for the growing list of customers who have launched, or who are preparing to launch, products incorporating G+ and an area of significant competitive advantage for the business.

Graphene is a highly innovative and disruptive material, with outstanding properties and substantial potential. During 2017, the Company has continued to refine its range of G+ materials and, along with the launch of its Advanced Development Area, this has enabled the business to continue to deepen its engagement with existing and potential customers and to embed G+ into their processes and supply chains. The Company has continued to enter into strategic JDA arrangements with some of the world's largest companies and this is testament to the growing momentum in the business and a vindication of the strength of the Company's positioning. The Board is pleased with recent achievements, in particular the receipt of a significant order from Grassi where prospects for further growth are promising.

The Company has built strongly on the foundations that were established last year and, as a result of the commercial progress that has been made, the Board anticipates a stronger second half performance, where it expects to report more than double the revenues achieved in the first half of the year. However, the Company is taking a prudent approach regarding the timing of concluding certain sales in the textile and environmental segments and therefore expect this will have a consequential impact on expectations for the full year.

With more customers preparing to launch products incorporating G+, the business is well-placed to deliver sustained growth from 2018. The opportunities for G+ remain substantial and the Board continues to look to the future with optimism.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

In euro	**Note**	**(Unaudited) 30 Jun 2017**	**(Unaudited) 30 Jun 2016**	**Audited 31 Dec 2016**
Continuing operations				
Revenue		278,492	403,303	738,028
Other income		52,850	37,659	79,733
Changes in inventories of finished goods and work in progress		220,287	79,897	450,843
Raw materials and consumables used	***2***	(191,329)	(80,766)	(169,643)
Employee benefits expenses		(1,037,761)	(881,686)	(1,784,094)
Depreciation and amortisation		(318,725)	(263,892)	(572,402)
Other expenses	**3**	(1,007,406)	(1,056,572)	(2,981,032)
Results from operating activities		**(2,003,592)**	**(1,762,057)**	**(4,238,567)**
Fair value movement on embedded derivative		-	(1,039,473)	(1,039,473)
Finance income		808	1,393	4,230
Finance expenses	**4**	(102,073)	(983,984)	(1,151,135)
Net finance costs		**(101,265)**	**(2,022,064)**	**(2,186,378)**
Loss before tax		**(2,104,857)**	**(3,784,123)**	**(6,424,945)**
Tax expense		-	-	-
Loss after tax		**(2,104,857)**	**(3,784,123)**	**(6,424,945)**
Loss from continuing operations		**(2,104,857)**	**(3,784,123)**	**(6,424,945)**
Loss of the period		**(2,104,857)**	**(3,784,123)**	**(6,424,945)**
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		(5,947)	(6,156)	150
Other comprehensive income for the year (net of tax)		**(5,947)**	**(6,156)**	**150**
Total comprehensive income for the year		**(2,110,804)**	**(3,790,279)**	**(6,424,795)**
Loss attributable to				
Owner of the Partner		(2,108,448)	(3,784,123)	(6,422,019)
Non-controlling interests		3,591	-	(2,926)
		(2,104,857)	**(3,784,123)**	**(6,424,945)**
Total Comprehensive income attributable to				
Owner of the Partner		(2,114,395)	(3,790,279)	(6,421,869)
Non-controlling interests		3,591	-	(2,926)
		(2,110,804)	**(3,790,279)**	**(6,424,795)**
Earning per share				
Basic earnings per share		(0.05)	(0.15)	(0.19)
Diluted earnings per share		(0.05)	(0.15)	(0.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

In euro	**Note**	**(Unaudited) 30 June 2017**	**(Unaudited) 30 Jun 2016**	**Audited 31 Dec 2016**
Assets				
Intangible assets		1,647,825	1,758,255	1,726,602
Property, plant and equipment		1,418,515	1,118,364	1,283,184
Non-current assets		**3,066,340**	**2,876,619**	**3,009,786**
Inventories	**5**	825,661	192,800	606,065
Trade and other receivables		950,347	1,710,637	1,092,892
Prepayments		96,406	63,663	77,446
Cash and cash equivalent		8,216,061	13,054,160	10,570,211
Current assets		**10,088,475**	**15,021,260**	**12,346,614**
Total assets		**13,154,815**	**17,897,879**	**15,356,400**
Equity				
Share capital		142,628	142,628	142,628
Share premium		19,973,996	19,973,996	19,973,996
Retained Earnings		(8,541,468)	(4,058,370)	(6,552,965)
Equity attributable to owners of Group		**11,575,156**	**16,058,254**	**13,563,659**
Non-controlling interest		25,819	-	22,228
Total equity		**11,600,975**	**16,058,254**	**13,585,887**
Liabilities				
Loans and borrowings		480,437	572,753	454,600
Employee benefits		265,477	208,877	227,358
Non-current liabilities		**745,914**	**781,630**	**681,958**
Loans and borrowing		96,018	250,271	238,134
Trade payables and other payables		711,908	807,724	850,421
Current liabilities		**807,926**	**1,057,995**	**1,088,555**
Total liabilities		**1,553,840**	**1,839,625**	**1,770,513**
Total equity and liabilities		**13,154,815**	**17,897,879**	**15,356,400**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

In euro	Share Capital	Share premium	Retained earnings	Total	Non-controlling interests	Total Equity
At 01 January 2016	**503,100**	**3,885,816**	**(6,281,318)**	**(1,892,401)**		**(1,892,401)**
Loss for the year period			(3,784,123)	**(3,784,123)**		**(3,784,123)**
Other comprehensive loss			(8,491)	**(8,491)**		**(8,491)**
Total comprehensive loss for the period			**(3,792,614)**	**(3,792,614)**		**(3,792,614)**
Share reduction	(439,649)		439,649			
Cancellation of share premium account		(3,885,816)	3,885,816			
Issue of ordinary share capital	79,177	19,973,996		**20,053,173**		**20,053,173**
Share-based payment reserve			19,409	**19,409**		**19,409**
Convertible loan (embedded derivative)			1,670,687	**1,670,687**		**1,670,687**
Balance at 30 June 2016 (Unaudited)	**142,628**	**19,973,996**	**(4,058,370)**	**16,058,254**		**16,058,254**
Loss for the year period			(2,637,896)	**(2,637,896)**	(2,926)	**(2,640,822)**
Other comprehensive income			8,641	**8,641**		**8,641**
Total comprehensive loss for the period			**(2,629,255)**	**(2,629,255)**	**(2,926)**	**(2,632,181)**
Non controlling interest in Directa Textile Solutions					25,154	**25,154**
Share-based payment reserve			134,659	**134,659**		**134,659**
Balance at 31 December 2016 (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)**	**11,575,156**	**25,819**	**11,600,975**

CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2017

	(Unaudited) 30 June 2017	**(Unaudited) 30 Jun 2016**	**Audited 31 Dec 2016**
Loss for the year	(2,104,857)	(3,784,123)	(6,424,945)
Adj for:			
Depreciation	182,197	133,682	317,258
Amortisation of intangible assets	135,838	130,211	267,105
Write off	8,554	-	909,763
Fair value movement on derivative	-	1,039,473	1,039,473
Share based option payment cost	125,893	19,409	154,068
IPO Costs	-	-	427,903
Finance income	(808)	(1,393)	(4,230)
Finance expense	102,073	983,984	1,151,136
Operating cash flow before working capital changes	**(1,551,110)**	**(1,478,757)**	**(2,162,469)**
(Increase) / decrease in inventories	(220,287)	(79,897)	(450,843)
(Increase) / decrease in trade and other receivables, prepayments	115,722	(433,374)	(654,509)
Increase / (decrease) in trade and other payables	(160,824)	35,606	(8,101)
Increase / (decrease) in provisions and employee benefits	29,352	29,434	56,406
Net cash used in operating activities	**(1,787,147)**	**(1,926,988)**	**(3,219,516)**
Cash flows from investing activities			
Interest received	808	1,393	4,230
Investment in intangible assets	(57,061)	(69,350)	(168,716)
Loan to associate	-	-	(50,939)
Consideration paid for acquisition of subsidiary net of cash acquired	-	-	(58,718)
Acquisition of property, plant and equipment	(295,218)	(27,710)	(377,246)
Net cash used in investing activities	**(351,471)**	**(95,667)**	**(651,389)**
Cash flows from financing activities			
Proceeds from IPO	-	14,835,299	14,408,156
Interest Paid	(10,058)	(47,420)	(52,195)
Drawdown of financial debt	-	-	
Repayment of borrowings	(116,280)	(960,414)	(989,696)
Net cash generated from financing activities	**(126,338)**	**13,827,465**	**13,366,265**
Net increase in cash and cash equivalent	**(2,264,956)**	**11,804,810**	**9,495,360**
Effect of exchange rate changes	**(89,194)**	**(782,300)**	**(956,799)**
Cash and cash equivalents at beginning of the period	**10,570,211**	**2,031,650**	**2,031,650**
Cash and cash equivalents at end of the period	**8,216,061**	**13,054,160**	**10,570,211**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2017

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 2017 is unaudited. In the opinion of the Directors, the financial information for the period fairly represents the financial position of the Company. 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 Company's statutory financial statements for the year ended 31 December 2016. These financial statements should be read in conjunction with the historical financial information for 31 December 2016 published in the annual report.

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

The Directors of the Company approved the financial information included in the results on 27 September 2017.

(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. Raw materials and consumables

The amount of €191,329 (H1 2016: €80,766) refers to materials for production, consumption by laboratory and includes the effect of the acquisition made.

3. Results from operating activities

Other expenses include:

€	30 Jun 2017	30 Jun 2016	31 Dec 2016
Consultancies	467,984	734,355	1,152,474
G&A	150,712	58,873	1,121,497

Travel and marketing	119,055	102,227	217,647
Rent and Lease	91,356	66,656	143,951
Other expenses	178,298	94,461	345,463
Total	**1,007,406**	**1,056,572**	**2,981,032**

4. Finance expenses

Finance expenses include:

€	30 Jun 2017	30 Jun 2016	31 Dec 2016
Interest on loans and other financial costs	4,318	191,501	197,169
Interest on financial leasing	5,740	7,975	14,576
Interest cost for benefit plan	2,821	2,210	4,614
Foreign exchanges losses	89,194	782,298	934,777
Total	**102,073**	**983,984**	**1,151,136**

5. 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 1 January 2016	**-**	**503,100**		**20,124,000**
Existing shares	-	503,100	140	15,840,000
Shares sub-division on 19 May 2016	19,620,900	20,124,000	8	844,571
Issued on 27 May 2016	24,088,827	44,212,827	34	
At 30 June 2016	**43,709,727**	**44,212,827**	**182**	**24,624,111**
At 31 December 2016	**-**	**44,212,827**	**366**	**34,471,990**
Existing shares	-	44,212,827	182	44,212,827
At 30 June 2017	**-**	**44,212,827**	**182**	**44,212,827**

Earnings per share

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Loss for the year	(2,108,448)	(3,784,123)	(6,422,019)
Weighted average number of shares:			
- Basic	44,212,827	24,624,111	34,471,990
- Diluted	44,212,827	24,624,111	34,471,990
Loss per share			
- Basic	**(0.05)**	**(0.15)**	**(0.19)**
- Diluted	**(0.05)**	**(0.15)**	**(0.19)**

Adjusted EPS

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Losses of the year	(2,108,448)	(3,784,123)	(6,422,019)
Non recurring IPO costs	-	427,144	427,144
Fair value movement of embedded derivative	-	1,039,473	1,039,473
Write off	-	-	840,000
Inventory adjustment	-	-	(150,000)
Share option costs	125,893		154,068
Adjusted losses	(1,982,555)	(2,317,506)	(4,111,334)
Average number of ordinary shares	44,212,827	24,624,111	34,471,990
Adjusted LPS	(0.04)	(0.09)	(0.12)