5 May 2022

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

Final Results for the Year to 31 December 2021

Strong 2021 performance, well-positioned for growth

Directa Plus (AIM: DCTA), a leading producer and supplier of graphene nanoplatelets based products for use in consumer and industrial markets, today publishes its full year results for the year ended 31 December 2021, delivering revenue and profitability which have exceeded consensus market expectations. The Company continues to lead in the production of graphene-based products which support the transition to net zero.

Year to date, the Company is trading in line with FY2021, with an expected acceleration through the second quarter and into the second half of the year. Accordingly, the Board is confident of the Company's continued growth trend and remains comfortable with current consensus revenue forecasts for FY2022. The Company continues to take actions to mitigate cost increases through price increases, expected productivity gains and cost reductions, whilst accelerating investments in key capabilities. In addition, the Company is waiting on the final decision on the award of a significant tender in Romania for its Environmental Remediation services, which is expected to be communicated shortly and, if awarded, to start in the second half of 2022.

Financial & Operational Highlights

- Product sales and service revenue increased by 33.9% to €8.62m (2020: €6.43m), slightly above market expectations
- Total income (including grants) increased by 39.3% to €9.45m (2020: €6.78m)
- LBITDA* improved to €1.99m (2020: €2.62m)
- Reported (basic) Loss per share was €0.06 (2020: €0.07)
- Cash and cash equivalents at year end of €11.13m (2020: €7.08m)
- Total patents granted at year end of 72 (2020: 38)
- Approximately 29k cubic meters of sludge treated and 7k metric tonnes of hydrocarbons recovered **
- 63k metres of textile printed, dyed and laminated in 2021

** LBITDA represents loss from operating activities before tax, interest, depreciation and amortization.*
*** Only with reference to the main project with OMV Petrom*

Target market progress

Environmental Remediation (76% of revenue (2020: 68%))

- In March 2021, completed the draining, cleaning and washing of a first oil storage unit for Petrotel Lukoil S.A. for c. €0.4 million of services revenue.
- In early 2021, secured an extension and increase of the contract with OMV Petrom for the provision of decontamination and oil recovery services using Grafysorber® technology.
- In July 2021, won an additional tender with OMV Petrom for a four-year contract, with a total value of more than €3.2m, to treat approximately 80,000 cubic meters of sludge and waste produced during the

first upstream separation process.

- In April 2022, received authorisation from the United States Environment Protection Agency for the Company's Grafysorber® technology to be used on any oil contamination on US territory.
- In April 2022, received the first order of Grafysorber® based absorbent materials from a UK company.
- Established a pipeline of active contract tenders across Europe, including a number of high value opportunities.

Textiles (21% of revenue (2020: 30%))

- In the first half of 2021, launched Directa Plus' own line of performance sportswear, the Cosmic Collection, which provides a showcase for the versatility of G+® and increases brand awareness.
- In November 2021, won a project tender from the State of Lombardy's TECH FAST program, for a total duration of 12 months and a total value of c. €0.3 million, of which 50 per cent. is non-refundable. The program will support the Company in developing applications for G+® graphene in industrial filtration, such as for air-conditioning or transportation filters.
- In December 2021, signed a Letter of Intent with Radici Group, an Italian-based global chemicals and materials group and a major player in the non-woven materials industry to collaborate on an exclusive basis to develop specific products for the global air and water filtration markets.

Others

- In February 2021, signed a 3-year supply agreement and joint R&D collaboration with NexTech for the supply and development of new grades of G+® graphene nanoplatelets for the production of Lithium Sulphur batteries.
- In June 2021, NexTech's European subsidiary was established in Italy with the initial objective being to evaluate the feasibility of producing cathode active materials in Italy, using G+® graphene nanoplatelets.
- In March 2022, Oxfordshire County Council began its second trial of a patented asphalt concrete modifier enhanced by the Company's G+® graphene. Half of a 700-metre stretch of the road is being laid with GiPave®, while the other half will be resurfaced using conventional asphalt, so that the two surfaces can be compared.

Awards

- Awarded the London Stock Exchange's Green Economy Mark, which recognises Directa Plus as contributing to the global green economy.
- The Company received a special mention as a Rising Star in the 2021 Company Excellence Awards hosted by the Italian Stock Exchange and sponsored by Harvard Business Review Italy, the management consultants GEA and the Milan based fund managers ARCA.

Giulio Cesareo, Founder & CEO, said: "I believe that Directa Plus is now at an inflection point – we are successfully transitioning from a research focused company into a commercial company with a number of exciting opportunities in our targeted markets. The Company operates in fast changing environment, and it is currently refining its strategic plan to prioritise the verticals with higher potential in terms of commercialisation and financial returns. The fundraise completed in December 2021 will allow us to accelerate growth in the most promising of these areas, where the Group continues to build an active pipeline of contract tenders."

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

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About Directa Plus

Directa Plus (www.directa-plus.com) is one of the largest producers and suppliers of graphene-based products for use in consumer and industrial markets. The Company's graphene manufacturing capability uses proprietary patented technology based on a plasma super expansion process. Starting from natural graphite, each step of Directa Plus' production process – expansion, exfoliation and drying – creates graphene-based materials and hybrid graphene materials ready for a variety of uses and available in various forms such as powder, liquid and paste.

This proprietary production process uses a physical process, rather than a chemical process, to process graphite into pristine graphene nanoplatelets, which enables Directa Plus to offer a sustainable, non-toxic product, without unwanted by-products. Directa Plus' products are made of hybrid graphene materials and graphene nano-platelets. The products (marketed as G+®) have multiple applications due to its properties. These G+® products can be categorised into various families, with different products being suitable for specific practical applications.

Directa Plus was established in 2005 and is based in Lomazzo (Como, Italy) and has been listed on the AIM market of the London Stock Exchange since May 2016. The Company holds the Green Economy Mark from London Stock Exchange which recognises companies that contribute to the global green economy.

Strategic Report

Chairman's Review

The macro economic challenges of 2020 continued into 2021 and 2022 with the Covid-19 pandemic and the war in Ukraine. However, Directa Plus has continued to execute against its strategy and deliver growth, and continues to take actions to mitigate cost increases through price increases, expected productivity gains and cost reductions, whilst accelerating investments in key capabilities. Our teams have continued to perform above expectations throughout this prolonged period of volatility and I would like to share the Board's appreciation for their hard work and dedication. 2021 saw further strategic progress for the Company as new partnerships and new markets were established, supporting our long-term growth ambitions. I am pleased with the progress the business is making in refining the strategic plan to prioritise the verticals with higher potential in terms of commercialisation and financial returns.

2021 saw continued growth for the business with revenues from products and services increased by 33.9% to €8.62m (2020: €6.43 million), and total income by 39.3% to €9.45m (2020: €6.78 million).

In December 2021, we successfully raised £7 million from our supportive shareholder base to accelerate our goal to commercialise our graphene-based products with an ever increasing and diverse customer base. We enter the new financial year well capitalised and ready to continue executing on our strategy.

Giorgio Bonfanti joined the Company in May 2021 and we welcomed him to the Board in November. He brings with him a wealth of experience and has already delivered significant contributions to the Company in his first year of service.

In recognition of our strong environmental credentials and contribution to sustainable business practices, the London Stock Exchange awarded the Company the Green Economy Mark in November 2021. This award is given to businesses across all industries that make significant contributions to the transition to a sustainable, low carbon economy.

Innovation remains at the heart of our product development and, as an example, in December 2021 we were granted an EU-wide patent covering the use of the Company's G+® pristine graphene nanoplatelets to boost the performance of rubber-based shoe outsoles. Our IP portfolio now comprises 19 patent families with 72 patents granted and 27 patents pending and we continue to grow the portfolio.

We started the new financial year announcing that Oxfordshire County Council had started its second trial of a patented asphalt concrete modifier developed by Iterchimica and enhanced by the Company's G+®. This trial followed a successful pilot scheme in Curbridge, Oxfordshire in 2019.

At the end of March 2022, we announced that Grafysorber®, our patented decontamination technology had been granted authorization for use in the United States by the US Environmental Protection Agency, paving the way for entry into one of the world's largest markets for decontamination of oil spills.

Our robust and sustainable strategy remains at the centre of our operations. With strong foundations, laid over the last few years, we are well positioned for further growth and increased traction in all areas. We are encouraged by increased levels of interest in the Directa Plus offering, and we continue to gain wider recognition for our proven innovative products. We have partnered with a number of new organisations in the year and we are confident in our future commercial opportunities.

I would like to take this opportunity to thank our team, customers and shareholders for their continued support. The Board looks forward to the new financial year and beyond with optimism, albeit tempered by the potential economic consequences of war and commodity price spikes.

Sir Peter Middleton
Chairman
4 May 2022

Chief Executive Officer's Review

Introduction
Directa Plus continued to grow during 2021 despite the headwinds created by the worldwide pandemic and associated lockdowns. The Company has become an acknowledged global leader in the production of graphene and its applications in existing and new products for consumers and industry. We expect global graphene demand to continue to increase significantly and intend to position Directa Plus at the forefront of development using our patented process for the production of pristine, chemical free graphene nanoplatelets, tailored to partners' and customers' requirements. We expect to build a substantial business by positioning Directa Plus in the verticals where technology capabilities, at attractive costs, meet with market opportunities and growing customer acceptance.

The fundraise we completed at the end of the year under review will allow the Company to undertake the next phase of growth and to take advantage of existing and new opportunities both in Europe and further afield.

Strategy and Business Model
Our strategy is primarily to target existing products and markets that can be significantly improved with the addition of Directa Plus products. The Company works with key partners, benefitting from their knowledge of the market, strong reputation and commercial channels.

Our proprietary scalable, modular manufacturing process to produce and supply high quality engineered tunable graphene materials at low production costs and 100% chemical free puts sustainability at the heart of our operations and acts as a powerful differentiator from competitors. We have amassed 43 certifications over the years, all reporting the absence of negative impacts on biological systems. We consider the health and safety of all stakeholders and environmental protection as top priorities and we have implemented a proactive approach by continuously monitoring our production process and products.

We currently target four key markets in which we already have cornerstone customers and partners:
- Environmental remediation – through our successful Setcar subsidiary, using Directa Plus' Grafysorber® technology to help the oil and gas industry to tackle environmental issues from hydrocarbon pollution;
- Textiles – printing nanoplatelets on fabrics, and graphene enhanced membranes for the sports, luxury, fashion, workwear and military markets;
- Composites – introducing the next generation of graphene-enhanced asphalts that are recyclable for a lower carbon world; and
- Lithium-sulphur batteries – the development of a Lithium-Sulphur battery using the Directa Plus' G+® pristine graphene nanoplatelets as a key cathode component.

In addition to these key verticals, we continuously monitor other high potential markets where we believe that for a relatively small investment we can develop products that can generate high commercial traction and which have a fast time to market, such as paints, consumer electronics and filtration.

The Company operates in fast changing environment, and it is currently refining its strategic plan to prioritise the verticals with higher potential in terms of commercialisation and financial returns.

Environmental remediation

The Group's Setcar subsidiary has again delivered strong growth. It is leading the expansion of Directa Plus' Grafysorber® technology into new markets and is rapidly gaining traction in the global oil & gas industry as a step change improvement from existing water treatment products and services. Setcar has integrated well into the Group and is now examining opportunities to expand its service offering, based on our Grafysorber® products, internationally.

Reusable and sustainably produced, Grafysorber® is five times more effective at hydrocarbon clean-up than competitor products and allows for the recovery of financially valuable oils and sludges. In addition, Grafysorber® is sustainably produced, non-flammable and reusable, with the adsorbed hydrocarbons recoverable.

The Group continues to build an active pipeline of contract tenders, including high value opportunities.

In March 2021 we completed the draining, cleaning and washing of a first oil storage unit for Petrotel Lukoil S.A. for a total amount of c. €0.4 million of services.

In early 2021, the contract with OMV Petrom was extended and increased. Initially awarded in July 2019, the contract was for the provision of decontamination and oil recovery services using Grafysorber® technology. The initial value of the contract was €150,000 and this was increased to €410,000 for a six-month services period. In July 2021, an additional tender with OMV Petrom was won for a four-year contract, with a total value of more than €3.2m, to treat some 80,000 cubic meters of sludge and waste produced during the first upstream separation process. Up to 20,000 tons of crude oil with impurities below 1% will be recovered and sent to the refinery. At current oil prices (c. $700-800 per ton) this is generating significant value for the client. Directa Plus will supply a total of 700 high-performance adsorbent devices containing Grafysorber® to OMV Petrom. As at the time of writing, we have treated 36,000 cubic meters of sludge and recovered 8,900 tons of crude oil.

We believe that Grafysorber® has significant export potential overseas and the Company continues to evaluate opportunities in discussion with possible partners focused on decontamination from hydrocarbons. A vital first step in addressing the US market was achieved in late March 2022 with the grant of authorization by the United States Environment Protection Agency to use Grafysorber® at any oil spill on US territory.

In April 2022, the Company signed a first order of Grafysorber® based absorbing products with a major UK reselling company, with the aim to initially target mainly the northern European markets.

As announced at the time of the Fundraise in December, we plan to invest in the further development of Grafysorber® technology to broaden the number of applications we can offer. This will involve constructing a water treatment plant as well as providing dedicated equipment for in-house treatment of industrial water and for the removal of hydrocarbons and other organic pollutants. The Company also has recently located a Grafysorber® production unit in Sectar's premises in Romania, close to existing customers, and launched the production of absorbent materials such as Grafysorber®-made booms, pillows, socks and pads for the oil and gas industry.

Textiles

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

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

In April 2021, the new G+® graphene coating for fabrics was tested by an independent third-party laboratory and found to be suitable for human skin contact. The results showed zero erythema and oedema reactions across all subjects participating in the test and the G+® coated fabric was reported to be 'dermatologically tested' and non-irritating.

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

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

As a result of the fundraise we plan to advance the application of G+® technology to non-woven fabrics to confer antibacterial and antiviral properties for the industrial filtration market. In December, Directa Plus signed a Letter of Intent with Radici Group, an Italian-based global chemicals and materials group and a major player in the non-woven materials industry, to collaborate on an exclusive basis for an initial period of 12 months. The collaboration will see G+® technologies combined with those of Radici to develop specific products for the global air and water filtration markets. If the technical results envisaged are achieved, the two companies will negotiate a technical and commercial partnership agreement with Directa Plus to benefit from a revenue-sharing business model.

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

In September 2021 Directa Plus' new G+® graphene coatings have being shown in two collections at the prestigious Milan Design Week. The Company's revolutionary new covering material has been selected for inclusion in collections being shown by two Italian companies. Plinio il Giovane is a central Milan based producer of high-end furniture and upholstery and is showcasing a collection of chairs and sofas with G+® coverings. Danese Milano, a subsidiary of lighting company Artemide S.p.A., is an innovative producer of interior design accessories and is showing a desk pad covered with the G+® coating. Plinio il Giovane and Danese Milano both selected Directa's innovative material technology as a result of its disruptive performance compared to traditional upholstery fabrics and coatings. G+® coatings on organic and non-organic fabrics are antibacterial and antiviral against Sars-Cov-2; resistant to abrasion and wear and tear; resistant to UV light, and; thermally conductive for achieving the highest thermal comfort.

In April 2022 Directa Plus has signed a non-binding Letter of Intent with a leading worldwide supplier of automotive interiors to Tier 1 manufacturers. The partners intend to develop a suite of new products for the automotive industry based on the antimicrobial properties (antibacterial and antiviral), thermal comfort and electrical conductivity properties of the Company's G+® enhanced fabrics.

In November 2021, the Company announced that a specially developed graphene membrane is integrated into the lining of the norda™ 001 G+® Spike high performance trail shoes. Directa Plus was responsible for the G+® membrane which is integrated into the Dyneema® one-piece woven upper lining in the toe box of the shoes. This provides the runner with additional comfort due to the thermal conductivity and abrasion resistance of the graphene G+® membrane while adding almost zero additional weight. Gear Patrol, the influential buying magazine, ranked norda™ 001 the most innovative trail running shoe of 2022.

We continue to strengthen our relationships with existing important customers in the workwear and luxury segments and to promote our presence in the textiles vertical Directa Plus launched its own line of performance sportswear, the Cosmic Collection, in the first half of 2021. This collection aims to offer consumers advanced technology, which is also sustainable. The Cosmic Collection provides a showcase for the versatility of G+® and its applications and will help to increase awareness of the Company and our technologies.

Composites

The asphalt and bitumen applications of G+® graphene technology is generating considerable traction, and the interest in the market for Iterchimica's GiPave® product, developed with Directa Plus, is growing internationally. We have signed a three-year agreement with Iterchimica for the exclusive supply of G+® graphene products for the sector worldwide and have extended the partnership with a significant pipeline of opportunities.

In the UK, Oxfordshire County Council has now started its second trial to further test the benefits that GiPave® can bring. The new trial will see two identical stretches of Marsh Lane in Oxford, which carries around 10,000 vehicles a day along a key city route, resurfaced with different materials. Half of a 700-metre stretch of the road will be laid with GiPave®, while the rest will be resurfaced using conventional asphalt, so that the two surfaces can be compared. This second trial follows a successful first pilot scheme in Curbridge, Oxfordshire in 2019. Analysis of this scheme showed GiPave® increases the lifespan of the surface by up to 70 per cent compared to conventional resurfacing methods.

Lithium-Sulphur Batteries

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

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

We continue to support NexTech in the development of this disruptive technology, in which G+® will play a key role in terms of technical properties and the supply of our product at the scale necessary to satisfy the needs of the market. In June 2021, NexTech established its European subsidiary in Italy ("NexTech Italia SpA"), with the initial objective being to evaluate the feasibility of producing cathode active materials in Italy, using our G+® graphene nanoplatelets, for the manufacture of Lithium-Sulphur (Li-S) batteries throughout Europe.

The Company is now ready to target other Lithium-Sulphur battery producers to accelerate the technology's commercialisation.

Other Verticals

Consumer Electronics

In December 2020, Directa Plus signed a development agreement with the soft goods division of a major international developer and manufacturer of consumer electronics and related services. The agreement covers the potential application of G+® graphene as a protective covering for consumer devices, exploiting the antiviral-antibacterial properties of G+® graphene as well as its thermal and electrical conductivity. The partnership has delivered exceptional results to date. In 2021 we received some promising orders for our G+® graphene and this collaboration continues to demonstrate the potential for significant volumes in the coming years.

Automotive

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

Paints

In February 2021, research undertaken by scientists at the Polytechnic of Turin was published in an article in the journal Polymers showing that the use of water-based G+® graphene ink to coat polymeric foam confers significant flame-retardant properties. A simple application of G+® ink to the external faces of the foam provided good flame-retardant properties, tested in both horizontal and vertical planes.

Using this study as a base, the Company is close to starting the commercialisation of graphene-based paints with significant anti-flame and anti-corrosion properties compared to normal paints. We see great potential in this developing technology.

Intellectual Property

As at March 2022, the Group's patent portfolio comprised 72 patents granted and 27 pending, grouped into 19 families.

In March 2021, Directa Plus was granted an EU-wide patent covering the use of its G+® graphene in golf ball applications. The patent covers a family of formulations and compounds containing G+® graphene nanoplatelets. Using these compounds at different loadings provides the basis for developing a new generation of high-performance golf balls aimed at both the professional and recreational markets.

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

In December 2021 the Company has been granted an EU-wide patent covering the use of the Company's G+® pristine graphene nanoplatelets to boost the performance of rubber-based shoe outsoles. The patent, titled "Shoe sole comprising graphene", covers G+® graphene embedded in outsoles. The specific formulation of G+® graphene for soles provides the ability to balance opposite performance characteristics such as durability and grip, in both dry and wet conditions. This ability to balance opposing performance traits is unique to Directa Plus's G+® graphene and becomes markedly apparent on rubber-based technical shoe soles such as those used for running, trail running, hiking, and on motorbikes. The patent covers both the formula for the compound and the final product outsole made with the compound.

Environmental, Social and Governance policies

Environmental sustainability is at the heart of Directa Plus’s business - our research, manufacturing, commercialisation, and purpose – and we have been ISO 14001 certified since 2016, which have been recently renovated.

From the earliest stages of our research into graphene applications we were determined to design manufacturing processes for our pristine nanoplatelets that would avoid the need for chemical processes and so avoid wasteful by-products. We continue this approach now – always seeking to design the most efficient manufacturing and proving the safety and sustainability of our products working with recognised environmental organisations.

When deciding our commercialisation strategy, we made it a priority to work only with environmentally responsible industrial partners, and to seek to improve on products in existing markets. This means that we can help produce and sell better quality products than are currently available, with better performance and longer life for end-users.

We monitor all applicable performance indicators. In our production process we consider raw materials supply chains, energy consumption, water and wastewater, atmospheric emissions, the production of waste and any effect on biodiversity. Our commitment to sustainability is also demonstrated by our Grafysorber® based technology and products, which are environmentally friendly solutions aimed at solving both historical pollution problems and oil spills.

In Social and Governance, Directa Plus has held certifications ISO 9001 (for quality management standards) and ISO 14001 (environmental management systems) since 2016, successfully renewed annually. We are also committed to identifying suppliers and partners who share the same sensitivity on sustainability issues as we do. We carefully consider all aspects of employee rights, equal opportunities, health and safety at work and training and education.

Finally, with respect to our local community, Directa Plus is well-known and deeply rooted in the Milan area. We promote our regional economy by identifying local suppliers, with whom it is possible to structure lasting partnerships. We believe it is essential to actively contribute to initiatives that can have a positive impact on the social fabric of the area and in 2021, through the sale of CO-Mask™ face masks, we financed the Christmas meal for the Opera San Francesco in Milan.

Outlook

I believe that Directa Plus is now ready to enter into a new stage of growth. We have many opportunities across different vertical markets, diversifying our business risks. The recent fundraise will allow us to accelerate growth in the most promising of these vertical markets and to keep investing in high potential opportunities in other areas.

We are closely monitoring and assessing possible impacts from the war in the Ukraine and will adjust our strategy if necessary. We do no business in Russia or Ukraine and so we are not directly exposed to this region, and we believe the rise in the oil prices may increase demand for our decontamination and recovery services.

Year to date, the Company is trading in line with FY2021, with an expected acceleration through the second quarter and into the second half of the year. Accordingly, we are confident of the Company's continued growth trend, and we remain comfortable with current consensus forecasts for FY2022. In addition, we are waiting on the final decision on the award of a significant tender in Romania for our Environmental Remediation services, which is expected to be communicated shortly and, if awarded, to start in the second half of 2022.

In summary, despite the challenges faced by all businesses, we retain a positive outlook for growth and our future success.

Giulio Cesareo
Chief Executive Officer
4 May 2022

Chief Financial Officer's Review

I am pleased to report the results of another important year of progress for the Group. During 2021, the finance team has worked hard to support our strategic decision-making and to manage efficiently our financial resources. The successful capital raise in December 2021 will be key in accelerating our business growth in the Group's next phase of development in 2022 and beyond.

Key Performance Indicators

The Board measures the performance of the Group through a number of important financial and non-financial KPIs. In a young business with a number of different vertical markets, identifying measurable data that will provide useful insight year-on-year is not always straightforward but the KPIs below should help shareholders understand the Group's progress. Our financial KPIs show significant improvement compared to 2020.

The below summarises the financial KPIs with further details contained later in this report.

- Product sales and service revenue increased by 33.9% to €8.62m (2020: €6.43m), slightly above market expectations
- Total income (including grants) increased by 39.3% to €9.45m (2020: €6.78m)
- LBITDA* improved to €1.99m (2020: €2.62m)
- Reported (basic) Loss per share €0.06 (2020: €0.07)
- Cash and cash equivalents at year end of €11.13m (2020: €7.08m)

** LBITDA represents loss from operating activities before tax, interest, depreciation and amortization.*

Financial review

2021 represented another year of continued growth for the business. Revenues from products and services increased by 33.9% to €8.62m (2020: €6.43 million), and total income +39.3% to €9.45m (2020: €6.78 million).

The increase in revenues was mainly driven by growth in environmental remediation services of 50% to €6.56m. The Group's Romanian subsidiary Setcar, acquired in November 2019, is playing a key role in the growth of our environmental services offering and is delivering excellent results for the Group.

Other income increased by 140% to €0.83m. This result was positively affected by a €0.50 million one-off income from Setcar, as a result of the release of an undue obligation. The remainder consists of grants and R&D expenditure credits, specific incentives and financing schemes that support the Group in its R&D activities.

The EBITDA loss for the period was €1.99m, decreasing by 24.1% compared to 2020 (loss of €2.62 million). The Group is closely monitoring increases in energy and transportation costs and the effects of increased inflation were seen in the second half of 2021 and this trend is intensifying into 2022, as a consequence of the war in the Ukraine. The Group is taking all possible measures to avoid margin reduction and is reacting promptly to increase product prices to reduce any impact on profitability.

Net loss for the period was reduced by 24.3% to €3.43m (2020: €4.53m).

At the end of 2021 the Group strengthened its funding position, and cash and cash equivalents at year end were €11.13m (2020: €7.08m). In addition, during the year, Directa Plus raised a total of €1 million of bank loans, provided by two major Italian banks, under the Italian Government's Covid-19 Recovery Plan. The loans are 80-90% guaranteed by the Italian Government and have allowed the Company to take advantage of the low-cost liquidity offered.

In December 2021, the Group completed a fundraising with gross proceeds of £7 million, by way of a placing and subscription. Directa Plus issued 4,666,667 new Ordinary Shares at a price of 150p each, with almost no discount to the market price at the time of transaction.

The proceeds from the capital raise will be used for:

- funding two significant future growth opportunities in the main existing verticals:
  - development of Grafysorber® to broaden the number of applications offered. The Group is locating a Grafysorber® production unit in Setcar's premises in Romania to:
    - construct a water treatment plant, providing dedicated equipment for in-house treatment of industrial water and for the removal of hydrocarbons and other organic pollutants using its Grafysorber® technology, and
    - produce absorbent materials such as Grafysorber®- made booms, pillows, socks and pads.
  - advance the application of Directa Plus' G+® technology to non-woven fabrics to confer antibacterial and antiviral properties. The Company has signed a Letter of Intent with Radici Group to collaborate on an exclusive basis to develop specific products for the global air and water filtration markets.
- providing the financial strength necessary to fund the Company's continued investment in exploring and developing new growth opportunities,
- providing the balance sheet strength to support the Company and its subsidiaries in responding to significant new tenders currently in progress, and
- providing additional liquidity for its general working capital purposes

In the short term, the Group's priorities continue to be focused on the reduction of cash consumption and improving profitability.

A description of the principal risks and uncertainties facing the Group is set out in the Directors' Report. The war in Ukraine in particular creates new, unforeseen risks. In summary, the Directors believe that overall, the conflict will not affect the going concern of the Group and although we are seeing some inflation of costs (principally energy), the Company is keeping the margins under control.

Giorgio Bonfanti
Chief Financial Officer
4 May 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In euro	Note	31 Dec 2021	31 Dec 2020
Continuing operations			
Revenue	3	8,615,098	6,434,480
Other income	3/4	831,405	345,826
Changes in inventories of finished goods and work in progress		12,960	213,229
Raw materials and consumables used	6	(3,634,311)	(2,564,317)
Employee benefits expenses	7	(4,296,955)	(3,769,274)
Depreciation and amortisation	11/12	(1,543,567)	(1,690,872)
Other expenses	8	(3,516,424)	(3,279,927)
Results from operating activities		**(3,531,794)**	**(4,310,855)**
Finance Income	9	221,622	1,175
Finance expenses	9	(74,681)	(347,707)
Net finance costs		**146,941**	**(346,532)**
Loss before tax		**(3,384,853)**	**(4,657,387)**
Tax (expense)/income	10	(44,620)	124,414
Loss after tax from continuing operations		**(3,429,473)**	**(4,532,973)**
Loss of the year		**(3,429,473)**	**(4,532,973)**
Other Comprehensive income items that will not be reclassified to profit or loss			
Defined Benefit Plan re-measurement gains and losses	20	(6,457)	7,821
Other comprehensive income/(expense) for the year (net of tax)		**(6,457)**	**7,821**
Total comprehensive (expense)/income for the year		**(3,435,930)**	**(4,525,152)**
Loss attributable to			
Owner of the Parent		(3,652,364)	(4.195,011)
Non-controlling interests		222,891	(337,962)
		(3,429,473)	**(4,532,973)**
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(3,658,821)	(4,187,190)
Non-controlling interests		222,891	(337,962)
		(3,435,930)	**(4,525,152)**
Loss per share			
Basic loss per share	23	(0.06)	(0.07)
Diluted loss per share	23	(0.06)	(0.07)

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

		Group		Company	
In euro	**Note**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Assets					
Intangible assets	11	1,792,277	2,042,767	-	-
Investments	13	-	-	25,680,336	23,680,336
Property, plant and equipment	12	3,982,966	4,209,267	-	-
Other receivables	14	185,623	140,649	-	-
Non-current assets		**5,960,866**	**6,392,683**	**25,680,336**	**23,680,336**
Inventories	5	1,370,875	1,375,947	-	-
Trade and other receivables	14	3,305,493	2,857,460	205,291	166,262
Cash and cash equivalent	16	11,130,468	7,080,492	9,430,364	4,283,625
Current assets		**15,806,836**	**11,313,899**	**9,635,655**	**4,449,887**
Total assets		**21,767,702**	**17,706,582**	**35,315,991**	**28,130,223**
Equity					
Share capital	17	205,393	190,996	205,393	190,996
Share premium	17	39,159,027	31,395,612	39,159,027	31,395,612
Foreign Currency Translation Reserve	17	(23,109)	(7,015)	-	-
Retained Earnings	17	(25,352,139)	(21,824,229)	(4,220,247)	(3,573,130)
Equity attributable to owners of Group		**13,989,172**	**9,755,364**	**35,144,173**	**28,013,478**
Non-controlling interests	17	2,041,938	906,885	-	-
Total equity		**16,031,110**	**10,662,249**	**35,144,173**	**28,013,478**
Liabilities					
Loans and borrowings	18	2,403,881	1,017,716	-	-
Lease liabilities	19	463,047	627,138	-	-
Employee benefits provision	20	500,535	444,483	-	-
Other payables	21	64,357	65,397	-	-
Deferred tax liabilites	15	89,497	8,423	-	-
Non-current liabilities		**3,521,317**	**2,163,157**	-	-
Loans and borrowings	18	65,840	981,065	-	-
Lease liabilities	19	217,537	214,935	-	-
Trade and other payables	21	1,931,898	3,685,176	171,818	116,745
Current liabilities		**2,215,275**	**4,881,176**	**171,818**	**116,745**
Total liabilities		**5,736,592**	**7,044,333**	**171,818**	**116,745**
Total equity and liabilities		**21,767,702**	**17,706,582**	**35,315,991**	**28,130,223**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company loss after tax for the year was € 956,408 (2019: € 558,846).
The financial statements were approved and authorised for issue by the board and were signed on its behalf by Giulio Cesare, Chief Executive Officer on 5 May 2022.
The notes below form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In euro	Share Capital	Share premium	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance at 31 December 2019	**190,512**	**31,395,612**	**4,147**	**(17,656,325)**	**13,933,946**	**1,240,194**	**15,174,140**
Total comprehensive (expense)/income for the year							
Loss of the year	-	-	-	(4,195,011)	**(4,195,011)**	(337,962)	**(4,532,973)**
Total other comprehensive (expense)/income	-	-	-	7,821	**7,821**	-	**7,821**
Total comprehensive (expense)/income for the period	**-**	**-**	**-**	**(4,187,190)**	**(4,187,190)**	**(337,962)**	**(4,525,152)**
Capital raised	484	-	-	-	**484**	-	**484**
Translation reserve	-	-	(11,162)	-	**(11,162)**	-	**(11,162)**
Share-based payment	-	-	-	19,286	**19,286**	-	**19,286**
Increase in share capital of Directa Textile Solutions	-	-	-	-	**-**	4,653	**4,653**
Balance at 31 December 2020	**190,996**	**31,395,612**	**(7,015)**	**(21,824,229)**	**9,755,364**	**906,885**	**10,662,249**
Total comprehensive (expense)/income for the year							
Loss of the year	**-**	**-**	**-**	(3,652,364)	**(3,652,364)**	222,891	**(3,429,473)**
Total other comprehensive (expense)/income	**-**	**-**	**-**	(6,457)	**(6,457)**	-	**(6,457)**
Total comprehensive (expense)/income for the period	**-**	**-**	**-**	**(3,658,821)**	**(3,658,821)**	**222,891**	**(3,435,930)**
Capital raised	14,397	8,306,293	.-	-	**8,320,690**	-	**8,320,690**
Expenditure related to the issuance of shares	-	(542,878)	-	-	**(542,878)**	-	**(542,878)**
Translation reserve			(16,094)	-	**(16,094)**	-	**(16,094)**
Share-based payment	-	-	-	130,910	**130,910**	-	**130,910**
Increase in share capital of Setcar	-	-	-	-	**-**	912,162	**912,162**
Balance at 31 December 2021	**205,393**	**39,159,027**	**(23,109)**	**(25,352,139)**	**13,989,172**	**2,041,938**	**16,031,110**

COMPANY STATEMENT OF CHANGES IN EQUITY

In euro	**Share Capital**	**Share premium**	**Retained Earnings**	**Total equity**
Balance at 31 December 2019	**190,512**	**31,395,612**	**(2,616,722)**	**28,969,402**
Loss for the year	**-**	**-**	(956,408)	(**956,408)**
Capital raised	**484**	**-**	**-**	**484**
Expenditure related to the issuance of shares	**-**	**-**	**-**	**-**
Share-based payment	**-**	**-**	**-**	**-**
Balance at 31 December 2020	**190,996**	**31,395,612**	**(3,573,130)**	**28,013,478**
Loss for the year	-	-	(709,825)	**(709,825)**
Capital raised	14,397	8,306,293	-	**8,320,690**
Expenditure related to the issuance of shares	-	(542,878)	-	**(542,878)**
Share-based payment	-	-	62,708	**62,708**
Balance at 31 December 2021	**205,393**	**39,159,027**	**(4,220,247)**	**35,144,173**

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

		Group		Company	
In euro	**Note**	**2021**	**2020**	**2021**	**2020**
Cash flows from operating activities					
Loss for the year before tax		(3,384,853)	(4,657,387)	(709,825)	(956,408)
Adjustments for:					
Depreciation	12	994,021	1,020,387	-	-
Amortisation of intangible assets	11	549,547	670,485	-	-
Share-based payment expense	7	130,910	19,286	62,708	-
Finance income	9	(221,622)	(1,175)	(211,056)	(867)
Finance expense		56,524	326,118	988	227,367
Interest of lease liabilities	9	18,157	21,589	-	-
		(1,857,316)	**(2,600,697)**	**(857,185)**	**(729,908)**
Increase/Decrease in:					
- inventories		5,072	(280,011)	-	-
- trade and other receivables	14	(493,008)	179,292	(39,029)	37,142
- trade and other payables		(1,207,601)	(1,398,380)	55,073	33,047
- provisions and employee benefits		37,457	24,844	-	-
Net cash from operating activities		**(3,515,396)**	**(4,074,952)**	**(841,141)**	**(659,720)**
Cash flows from investing activities					
Interest received	9	1,616	1,175	-	867
Investment in intangible assets		(299,056)	(434,898)	-	-
Investment in subsidiary	13	-	-	(2,000,000)	(2,500,000)
Contingent consideration	21	(572,268)	(208,097)	-	-
Acquisition of property, plant and equipment		(767,719)	(195,991)	-	-
Net cash used in investing activities		**(1,637,427)**	**(837,811)**	**(2,000,000)**	**(2,499,133)**
Cash flows from financing activities					
Proceeds from Capital raise	17	8,320,690	484	8,320,690	484
Expenditure related to the issuance of shares	17	(542,878)	-	(542,878)	-
Interest paid	9	(45,426)	(45,647)	(988)	(2,148)
New Borrowings	18	1,511,719	1,874,243	-	-
Repayment of borrowings	18	(81,666)	(360,164)	-	-
Repayment of lease liabilities		(179,646)	(100,235)	-	-
Net cash from (used in) financing activities		**8,982,793**	**1,368,681**	**7,776,824**	**(1,664)**
Net increase (decrease) in cash and cash equivalent		**3,829,970**	**(3,544,082)**	**4,935,683**	**(3,160,516)**
Cash and cash equivalent at beginning of the year		**7,080,492**	**10,906,076**	**4,283,625**	**7,669,360**
Exchange (losses)/gains on cash and cash equivalents		**220,006**	**(281,502)**	**211,056**	**(225,219)**
Cash and cash equivalent at end of the year		**11,130,468**	**7,080,492**	**9,430,364**	**4,283,625**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Basis of preparation

a) Statement of compliance

These consolidated and parent Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IFRSs).The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, unless otherwise stated. All notes, except as otherwise indicated, are presented in Euros ("€").

I.Going Concern

As of 31 December 2021, the Group (including the Company) had net assets of €16.03m (2020: €10.66m) and cash and cash equivalent of €11.13m (2020: €7.08m).

The Directors are aware that there is an ongoing need to monitor the cash flow requirements of the Company and Group for the upcoming months, particularly in light of the recent developments in the markets due to the COVID-19 pandemic, the recent war in Ukraine and inflation trends, which have had a significant, impact on global economies and more likely will affect the upcoming months. In this regard, the Group prepares annual budgets and forecasts in order to ensure that they have sufficient liquidity to meet liabilities and commitments as they fall due. The Directors regularly review updates to the scenario planning such that the Board can put in place appropriate mitigating actions within their control.

Considering the recent capital raise undertaken in December 2021, which resulted in £7 million of additional gross funds, and based on the most recent cash flow projections, the Directors believe that the Group will have sufficient funds in place, up to a period of 12 months from the approval date of the financial statements, to meet liabilities as and when they fall due. Despite this, given the current global economic status, the Directors have carried out a downward sensitivity analysis stressing the base financial projections by applying a further material reduction in forecast revenues, and modelling mitigation or deferral of capital and operational expenditure within the control of Management and the Board. Based on these downward scenarios, the Directors believe that the Company will still have the funds to support the Group as a going concern until the end of 2023.

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

b) Basis of consolidation

I.Business combination

The Group accounts for business combination using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair value of the assets acquired, liabilities incurred or assumed, and equity instruments issued. Costs attributable to the business combination are expensed as incurred.

The acquiree's identifiable assets and liabilities which meet the recognition conditions are recognised at the fair values at the acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date that arises from past events and its fair value can be measured reliably.

Any difference arising between the fair value and the tax base of the acquiree's assets and liabilities that give rise to a taxable or deductible difference results in the recognition of a deferred tax liability or asset.

Non-controlling interest arising from a business combination is measured at their share of the fair value of the assets and liabilities of the acquiree.

Goodwill is not amortised, but it is tested on an annual basis for impairment.

II.Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

III.Transactions eliminated on consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

IV.Non-controlling interest

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share changes in equity since the date of the combination. The non-controlling interest's share of losses, where applicable, are attributed to the non-controlling interests irrespective of whether the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.

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 of the Italian operating subsidiaries is Euro ("€"). The functional currency of the Romanian subsidiary is RON.

d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period.

Critical estimates and judgements that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows.

Estimates

I.Valuation of share based payments

The estimation related to share based payment expenses includes the selection of an appropriate valuation option pricing model, consideration as to the inputs necessary for the valuation model chosen, and the estimation of the number of awards that will ultimately vest. Inputs subject to estimation relate to the future volatility of the share price which has been estimated based on the historical observed volatility from trading in the Company's shares, over a historical period of time between the date of the grant and the date of exercise. Management has used a Monte-Carlo model to calculate the fair value of the awards which include market based performance conditions. Further disclosure of inputs relevant to the calculations is set out in note 24 to the financial statements.

II.Carrying value of goodwill

The carrying value of goodwill, and the cash generating units (CGUs) to which it relates, is assessed annually for impairment through comparing the recoverable amount to the CGU's carrying value. The value in use calculations require estimates in relation to uncertain items, including management's expectations of future revenue growth, operating costs, profit margins, operating cashflows and the discount rate applied. Future cash flows used in the value in use calculations are based on our latest two-year financial plans. Expectations about future growth reflect expectations of growth in the markets applicable to the group. The future cashflows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money. The discount rate used is adjusted for the specific risk to the group, including the countries to which cash flows will be generated. Further disclosure of evaluations is set out in note 11 to the financial statements.

III.Valuation of inventory

Inventories are stated at the lower of cost or net realisable value. The cost of inventories comprises of net prices paid for materials purchased, production labour cost and factory overhead. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Inventory provisions are recognised for slow-moving, obsolete or unsalable inventory and are reviewed on a six-monthly basis. The valuation of Inventory includes key estimates and judgments made by Management including normal production capacity, market demand and selling opportunities. If actual demand or usage were to be lower than estimated, inventory provisions for excess or obsolete inventory may be required.

2. Significant accounting policies

a) Functional currency

The financial statements of each Group company are measured using the currency of the primary economic environment in which that company operates (the functional currency). The consolidated financial statements record the results and financial position of each Group company in Euro, which is the functional currency of the Company and the presentational currency for the consolidated financial statements.

I. Transaction and balances

Transactions in foreign currencies are converted into the respective functional currencies at initial recognition, using the exchange rates at the transaction date. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling at the reporting date. Non-monetary assets and liabilities are not retranslated. All exchange differences are recognised in profit or loss. On consolidation, the results of overseas operations not in Euro are translated at the rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at closing rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

b) Financial instruments

There are no other categories of financial assets other than those listed below:

I. Trade and other receivables and amounts due from subsidiaries
Trade and other receivables and amounts due from subsidiaries are recognised and carried at the original invoice amount less any provision for impairment.

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL on trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

II. Cash and cash equivalents
Cash and cash equivalents comprise demand deposits with an original maturity of up to 3 months which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

There are no other categories of financial liabilities other than those listed below:

III. Trade and other payables
Trade payables are stated at their amortised cost.

IV. Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. At initial recognition, financial liabilities are measured at their fair value, minus transaction costs that are directly attributable, and are subsequently measured at amortised cost.

An equity instrument is any contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

V. Leases
On commencement of a contract which gives the Group the right to use assets for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payment made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payment unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reducing for payment made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

c) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are netted off against share premium.

d) Property, plant and equipment
I. Recognition and measurement
Property, plant and equipment are measured at cost less accumulated depreciation, Government grants received (where applicable) and accumulated impairment losses.

Costs capitalised include expenditure that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognised in profit or loss.

II. Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

III. Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis in the statement of comprehensive income over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:
- IT equipment from 3 to 5 years
- Industrial equipment, office equipment and plant and machinery from 5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

e) Intangible assets
Intangible assets are measured at cost less accumulated amortisation and Government grants received (where applicable). The carrying value of intangible assets is reviewed annually for impairment.

Patent rights acquired and development expenditure are recognised at cost.

Expenditure on internally developed products is capitalised if it can be demonstrated that:
- it is technically feasible to develop the product
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the period the Group expects to benefit from selling the products developed (Useful Economic Life). The amortisation expense is included within the cost of sales in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

I. Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives of significant intangible assets are as follows:

- Patents concerning G+® technology generate significant value to the Group over a period of 20 years, in line with the legal duration of the patent and their useful lives. However, on a conservative basis, such costs are amortised over a period of 10 years.
- Brand: 5 years
- Development costs concerning personnel capitalized: 5 years
- Others: 5 years

f) Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of inventories comprises of net prices paid for materials purchased, production labour cost and factory overhead. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Inventory provisions are recognised for slow-moving, obsolete or unsalable inventory and are reviewed on a six months basis.

g) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

h) Impairment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGUs). The Group's CGUs generally align with each subsidiary. The recoverable amount is then estimated. The recoverable amount of an asset or a CGU is the greater of its net present value and its fair value less costs to sell.

Net present value is generally computed as the present value of the future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

i) Employee benefits

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

For more information please see note 20.

j) Revenues

The Group operates diverse businesses and accordingly applies different methods for revenue recognition, based on the principles set out in IFRS 15.

The revenue and profits recognised in any reporting period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated balance sheet items, management is required to review performance obligations within individual contracts. This may involve some judgemental areas.

Revenue is recognised either when the performance obligation in the contract has been performed (so ‘point in time’ recognition) or ‘over time’ as control of the performance obligation is transferred to the customer.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group’s performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer.

- Revenues from sale of graphene based products are typically recognised at a point in time when goods are delivered to the customer as with this, the customer gains the right of control over the goods. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer.
- Revenues from sale of equipment (such as Mobile Production Units) are typically recognised at point in time when goods are delivered to the customers and site acceptance test is successfully performed.
- Revenues from services relates mainly to environmental services provided by Setcar which are recognised:
    - at a point in time basis when contracts include an obligation to process waste once the process occurred according with the contract in place.
    - at the point in time when the waste is delivered to our platform with no further performance obligations.
    - over time in accordance with agreed project milestones being delivered.

Where cost has been incurred to undertake a performance obligation but this has not been realised at the year end the attributable costs are carried forward as work in progress.

k) Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the relevant conditions and the grant will be received. Grants are recognised in profit or loss on a systematic basis where the Group has recognised the initial expenses that the grants are intended to compensate. Where a grant has been received as a contribution for property, plant and equipment, or capitalised development costs, the income received has been credited against the asset in the statement of financial position.

l) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised in the profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

m) Investments in subsidiaries (Company only)

Investments are stated at their cost less any provision for impairment (for details refer to note h).

n) Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Adoption of new and revised standards

New standards, interpretations and amendments effective from 1 January 2021

The IFRS financial information has been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year to 31 December 2020, except for the following:

- Interest Rate Benchmark Reform – Amendment to IFRS 7, IFRS 9, IFRS 16 and IAS 39.

The application of the above standards has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); a
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023. In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year. The Group is currently assessing the impact of these new UK adopted accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on classification of its liabilities once the those are issued by the IASB.

The Group does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

3. Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (CEO, CFO, COO and CTO), as defined in IFRS 8, in order to allocate resources to the segments and to assess its performance.

For management purposes, also considering the materiality the Group is organized into the following segments:

- Textile
- Environmental
- Others

Textile and Environmental were considered by Management the strategic segments able to sustain the growth. Management's strategic needs are constantly monitored and an update of the segments will be provided if required. Any further update of the segment analysis will be reflected in this section.

Segment profit/(loss) represents the profit/(loss) earned by each segment, including all the direct costs that are directly correlated with the segment. Overhead, assets and liabilities not directly attributable to a specific segment have been allocated as Head Office.

As the business evolves this is an area that will be assessed on a regular basis and additional segmental reporting will be provided at the appropriate time.

2021

	Textile	Environmental	Others	Headoffice	Consolidated
Revenue	1,843,506	6,560,771	210,821	-	8,615,098
Cost of Sales*	(1,002,845)	(3,030,602)	(107,310)	-	(4,140,757)
Gross Profit	**840,661**	**3,530,169**	**103,511**	**-**	**4,474,341**
Other income	174,484	607,049	-	49,872	831,405
Other expenses:					
R&D expense	(317,422)	(45,450)	(25,966)	-	(388,838)
Advisory	(50,004)	(481,992)	-	(887,722)	(1,419,718)
Operating expenses	(536,615)	(2,519,008)	(135,782)	(2,294,012)	(5,485,417)
Depreciation & amortisation	(331,492)	(1,177,445)	(34,630)	-	(1,543,567)
Operating Loss	**(220,388)**	**(86,677)**	**(92,867)**	**(3,131,862)**	**(3,531,794)**
Net financial costs	-	-	-	146,941	146,941
Tax	-	(44,620)	-	-	(44,620)
Loss of the year	**(220,388)**	**(131,297)**	**(92,867)**	**(2,984,921)**	**(3,429,473)**
Total assets	5,642,443	15,086,933	1,038,326	-	21,767,702
Total liabilities	1,746,301	3,739,745	250,546	-	5,736,592

2020

	Textile	Environmental	Others	Head Office	Consolidated
Revenue	1,943,924	4,360,864	129,692	-	6,434,480
Cost of Sales*	(1,221,579)	(1,971,859)	(74,872)	-	(3,268,310)
Gross Profit	**722,345**	**2,389,005**	**54,820**	**-**	**3,166,170**
Other income	85,980	204,450	27,206	28,189	345,826
Other expenses:					
R&D expense	(96,915)	(25,500)	-	-	(122,415)
Advisory	(50,752)	(335,248)	-	(905,021)	(1,291,022)
Operating expenses	(1,332,294)	(2,214,108)	(138,874)	(1,033,266)	(4,718,541)
Depreciation & amortisation	(508,331)	(1,143,250)	(39,291)	-	(1,690,872)
Operating Loss	**(1,179,967)**	**(1,124,652)**	**(96,138)**	**(1,910,098)**	**(4,310,855)**
Financial costs	-	-	-	(346,532)	(346,532)
Tax	-	-	-	124,414	124,414
Loss of the year	**(1,179,967)**	**(1,124,652)**	**(96,138)**	**(2,132,216)**	**(4,532,973)**
Total assets	5,609,005	11,083,261	1,014,317	-	17,706,582
Total liabilities	2,443,527	2,680,121	1,920,685	-	7,044,333

*Includes Changes in inventories of finished goods.

	2021	2020
	€	€
Sale of products	2,898,224	2,137,289
Sale of services	5,716,874	4,297,191
Government grants	166,112	159,815
Other	665,293	186,011
Total Income	**9,446,503**	**6,780,306**

Geographical breakdown of revenues is:

	2021	2020
	€	€
Italy	1,755,329	1,555,622
Romania	6,563,839	4,495,661
Rest of the world	295,930	383,197
Total	**8,615,098**	**6,434,480**

The Group has transacted with 3 main customers in 2021, which accounted for more than 10% of Group revenues for sales of products and services. This largest customer accounted for 16% of revenues (€1,349,981), the second largest to 12% (€1,006,649), whilst the third for 11% (€907,323).

Other Income of €831,405 mainly includes the release of an undue obligation for €503,904, as the former shareholders of Setcar renounced to dividends not paid yet, Government Grants for €166,112, and R&D Expenditure Credit (RDEC) for €33,425. The RDEC is an Italian incentive scheme (art.3 DL 145/2013) designed to encourage companies to invest in research and development. The credit can be used to reduce corporation tax or to offset outstanding payables related to social security.

4. Government Grants

Information regarding government grants:

	2021	2020
	€	€
Innodriver	25,000	-
Inno4covid	99,889	-
Green.Tex	30,616	54,278
COVID-19 government grants	-	103,536
Techfast	10,607	-
Total	**166,112**	**157,814**

During 2021, the Company took part in Inno4Covid, a European project for fostering innovation, prevention and surveillance in response to Covid-19. The project was 100% financed for a total amount of €99,889, of which 50% was collected during the year.

Directa Plus keeps investing in the activities related to the Green.Tex project, whose deadline was extended up until April 2022.

In 2021, the Company was also awarded with the inclusion in the Tech Fast project, with an overall value of approximately €290,000, financed at 50%. The tender, concerning eco-innovation for industrial antimicrobial and antiviral filtration through the use of graphene, will end in 2022.

Directa Plus also obtained the Innodriver grant (€25,000) to support the study of new products in the textile sector.

The key terms of government grants are:

	Green.Tex	Tech fast	Inno4covid	Innodriver	Ecopave
Starting date	2020	2021	2021	2021	2017
Ending date	2022	2022	2021	2021	2021
Duration (months)	21	12	8	n.a.	37
Total amount	96,192	147,028	99,889	25,000	214,000
Final report submitted	on-going	on-going	Yes	Yes	Yes

There are no capital commitments built into the ongoing grants. Government grants have been recognised within other income.

5. Inventory

	2021	2020
	€	€
Finished products	1,141,372	1,071,173
Spare parts	76,663	110,808
Raw material	93,798	97,712
Working in progress	59,042	96,254
Total	**1,370,875**	**1,375,947**

As of 31 December 2021, total inventory value is in line with 2020; the finished products mainly referred to Directa Plus SpA. Spare parts inventory was required to enhance maintenance efficiency and is composed of a small number of critical items with a material cost per unit.

6. Raw materials and consumables

	2021	2020
	€	€
Raw material & consumables	2,711,528	1,670,305
Textile products	922,783	894,012
Total	**3,634,311**	**2,564,317**

The increase in raw materials is in line with the business growth.

7. Employee benefits expenses

	2021	2020
	€	€
Wages and salaries	3,525,876	3,264,227
Social security costs	559,856	496,428
Employee benefits	111,964	89,169
Share option expense	130,910	19,286
Other costs	103,877	62,099
Total	**4,432,483**	**3,931,208**
Capitalised cost in "Intangible assets"	(135,528)	(161,935)
Total charged to the Income Statement	**4,296,955**	**3,769,274**

The average number of employees (excluding non-executive directors) during the period was as follows:

	2021	2020
Sales and Administration	30	27
Engineering, R&D and production	165	166
Total	**195**	**193**

The total average number of employees of the Group as at 31 December 2021 was 195 (2020: 193), of which 166 employed by Setcar.

The Directors' emoluments (including non-executive directors) are as follows:

	2021	2020
Wages and salaries	773,683	836,709
Total	**195**	**193**

The aggregate emoluments (wages, salaries and social contributions) of the highest paid Director totalled €527k (2020: €495k).

Share-base payment expenses were €130,910, of which €62,708 accounted for in the Parent Company accounts as directly attributable to the Executive Directors.

8. Other expenses:

Other expenses include:

	2021 €	2020 €
Audit of the Group and Company financial statements	81,991	79,347
Audit of the subsidiaries' financial statements	36,230	37,968
Other non-audit services provided by Group's auditor	5,978	4,422
Tool manufacturing	296,965	508,363
Analyses & tests	377,028	128,152
Travel	69,659	78,012
Technical consultancies	277,117	223,732
Shipping and logistic expenses	260,014	365,317
Insurance	165,347	112,122
Marketing	32,989	27,866
Legal, tax and administrative consultancies	915,234	962,365

Analyses & tests expenses (€377,028) and technical consultancies refer to R&D activities outsourced to external labs and universities. Both cost categories have increased over the last year in line with the business growth.

The increase in the insurance expenses (€165,347) was mainly driven by the hard market conditions, which led to a general increase in premiums.

9. Net Finance expenses

Finance expenses include:

	2021	2020
	€	€
Interest Income	(1,616)	(1,175)
Interest on loans and other financial costs	45,426	45,719
Interest on lease liabilities	18,157	21,589
Interest cost for benefit plan	11,098	10,131
Foreign exchanges losses/(gains)	(220,006)	270,268
Total	**(146,941)**	**346,532**

Foreign exchange income of €220,006 (2020: -€270,268) includes €211,056 of Sterling to Euro movement in the Group's Sterling bank accounts.

10. Taxation

	2021	2020
	€	€
Current tax (expense)/income	(1,727)	404
Deferred tax expense/ (recovery)	(42,893)	(124,818)
Total tax expenses	**(44,620)**	**(124,414)**

Reconciliation of tax rate

	2021	2020
	€	€
Loss before tax	(3,384,853)	(4,657,387)
Italian statutory tax rate	24%	24%
	(812,365)	(1,117,773)
Impact of temporary differences	4,431	155,430
Losses recognised	(49,052)	(31,016)
Impact of tax rate in foreign jurisdiction	(35,491)	47,820
Losses not utilised	847,857	1,069,953
Total tax expenses	**(44,620)**	**(124,414)**

Tax losses carried forward have been recognised as a deferred tax asset up to the point that they are recoverable against taxable temporary differences. All other tax losses are carried forward and not recognised as a deferred tax asset due to the uncertainty regarding generating future taxable profits. Tax losses carried forward are €31,494,057(€27,762,446 in 2020).

11. Intangible assets

Cost	Development Cost	Patents	Goodwill	Others	Brands	Total
	€	€	€	€	€	€
Balance at 31/12/2019	**2,765,023**	**437,933**	**303,552**	**249,580**	**384,124**	**4,140,213**
Additions	379,998	111,151	-	35,814	-	**526,963**
Currency translation differences	*(218)*	*(3,344)*	*(5,204)*	*(289)*	*(7,107)*	***(16,162)***
Balance at 31/12/2020	**3,144,804**	**545,740**	**298,348**	**285,105**	**377,017**	**4,651,014**
Additions	135,527	172,307	-	(1,063)	-	**306,771**
Currency translation differences	*(184)*	-	*(4,391)*	*(3,059)*	*(5,996)*	***(13,630)***
Balance at 31/12/2021	**3,280,147**	**718,047**	**293,957**	**280,983**	**371,021**	**4,944,154**
Amortisation						
Balance at 31/12/2019	**1,731,795**	**145,349**	**-**	**54,214**	**6,402**	**1,937,760**
Amortisation 2020	357,746	218,247	-	18,593	75,899	**670,485**
Balance at 31/12/2020	**2,089,541**	**363,596**	**-**	**72,807**	**82,301**	**2,608,245**
Amortisation 2021	389,299	71,829	-	13,797	74,621	**549,547**
Currency translation differences	*(271)*	-	-	*(3,313)*	*(2,330)*	***(5,914)***
Balance at 31/12/2021	**2,478,569**	**435,425**	**-**	**83,291**	**154,592**	**3,151,877**
Carrying amounts						
Balance 31/12/2019	1,033,228	292,584	303,552	196,811	377,722	2,202,452
Balance 31/12/2020	1,055,262	182,145	298,348	213,743	294,715	2,042,767
Balance 31/12/2021	801,578	282,623	293,957	199,137	216,428	1,792,277

As disclosed in note 1(d) development costs capitalised in the year are mainly based on time spent by employees who are directly engaged in the development of the G+® technology.

Management, throughout the support of external experts, carried out an impairment test on goodwill accounted following the acquisition of Setcar S.A. in 2019.

The CGU is represented by Setcar itself, whose carrying amount as of 31 December 2021 was estimated equal to €5.1m.

The impairment review of the CGU is based on an assessment of the CGU's value in use ("VIU"). In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 10.9% that reflects current market assessments of the time value of money and the risks specific to the asset/CGU and a perpetual annual growth rate of 1.6%.

Based on such assumptions, the recoverable amount was estimated equal to €27.4m. In addition, a sensitivity analysis was performed, assuming a +/- 0.5% variation in the discount rate and a +/- 0.5% variation in the perpetuity growth rate. This led to a recoverable amount estimated in the range of €26m and €29m.

As a conclusion, the verifications have shown that the book values can be fully recovered and no goodwill impairment is required as of 31 December 2021.

12. Property, plant and equipment

Cost	Industrial Equipment €	Computer Equipment €	Office Equipment €	Plant & Machinery €	Land €	ROU Assets €	Under Costr. €	Total €
Balance at 31/12/2019	**1,235,693**	**56,554**	**179,469**	**4,202,028**	**608,395**	**456,819**	**2,445**	**6,741,402**
Additions	52,825	17,967	9,391	171,819	-	322,309	-	574,356
Disposals	-	-	-	(23,343)	-	-	-	(23,343)
Currency translation differences	*(21,101)*	-	*(16,232)*	*(53,298)*	*(11,257)*	-	-	*(101,934)*
Balance at 31/12/2020	**1,267,415**	**74,521**	**172,627**	**4,297,207**	**597,138**	**779,128**	**2,445**	**7,190,481**
Additions	392,141	10,095	13,934	416,922	-	-	-	833,092
Disposals	(6,435)	-	(3,143)	(31,124)	-	-	-	(40,703)
Currency translation differences	*(32,070)*	-	*(2,228)*	*(50,895)*	*(9,498)*	-	*(38)*	*(94,728)*
Balance at 31/12/2021	**1,621,051**	**84,616**	**181,189**	**4,632,110**	**587,640**	**779,128**	**2,407**	**7,888,141**
Depreciation								
Balance at 31/12/2019	**193,331**	**36,113**	**67,587**	**1,637,482**	**-**	**76,136**	**-**	**2,010,649**
Depreciation 2020	378,873	7,693	35,432	517,406	-	80,984	-	**1,020,388**
Currency translation differences	*(17,894)*	-	*(2,356)*	*(30,851)*	-	-	-	***(51,101)***
Balance at 31/12/2020	**556,309**	**43,807**	**100,663**	**2,123,314**	**-**	**157,120**	**-**	**2,981,213**
Depreciation 2021	287,741	9,312	49,791	544,774	-	102,402	-	**994,021**
Currency translation differences	*(21,983)*	-	*(4,986)*	*(43,089)*	-	-	-	*(70,059)*
Balance at 31/12/2021	**822,067**	**53,119**	**145,468**	**2,624,999**	**-**	**259,522**	**-**	**3,905,175**
Carrying amounts								
Balance 31/12/2019	1,042,362	20,440	111,882	2,564,546	608,395	380,683	2,445	4,730,752
Balance 31/12/2020	711,106	30,714	71,965	2,173,892	622,008	597,138	2,445	4,209,268
Balance 31/12/2021	798,985	31,496	35,722	2,007,110	519,606	519,606	2,407	3,982,966

Assets held under financial leases with a net book value of € 557,243 are included in the above table within Plant & Machinery.

13. Investments in subsidiaries

Details of the Company's subsidiaries as at 31 December 2021 are as follows:

Subsidiaries	Country	Principal activity	Shareholding 2021	Shareholding 2020
Directa Plus Spa	Italy	Producer and supplier of graphene based materials and related products	100%	100%
Directa Textile Solutions Srl	Italy	Commercialise textile membranes, including graphene-based technical and high-performance membranes	73.5%	73.5%
Setcar S.A.	Romania	Waste management and decontamination services business	52%	51%

Subsidiaries	Place of Business	Registered Office	Place of Business
Directa Plus Spa	Italy	Via Cavour 2, Lomazzo (CO) Italy	See registered office
Directa Textile Solutions Srl	Italy	Via Cavour 2, Lomazzo (CO) Italy	See registered office
Setcar S.A.	Romania	Str. Gradinii Publice 6, Braila Romania	See registered office

The Company's investment as capital contributions in Directa Plus Spa are as follows:

	Directa Spa
At 31 December 2019	**21,180,336**
Additions	2,500,000
At 31 December 2020	**23,680,336**
Additions	2,000,000
At 31 December 2021	**25,680,336**

14. Trade and other receivables

Current

	Group 2021	Group 2020	Company 2021	Company 2020
	€	€	€	€
Account receivables	2,339,369	2,174,967	-	-
Tax Receivables	465,953	443,857	49,539	23,265
Other receivables	500,171	238,636	155,752	142,997
Total	**3,305,493**	**2,857,460**	**205,291**	**166,262**

Non-Current

	Group 2021	Group 2020	Company 2021	Company 2020
	€	€	€	€
Other receivables	185,623	140,649	-	-
Total	**185,623**	**140,649**	**-**	**-**

Group account receivables of €2,339,369 are mainly composed by seven major clients, covering 60% of the total amount.

Group Tax Receivables are composed of Italian VAT receivables of €278,812, UK VAT receivables of €49,539, Romanian VAT receivables of €50,785, RDEC Tax Credit receivables of €73,894 and other Italian Tax receivables of €12,923.

Other receivables are mainly composed of governments grants for €213,160 and prepayments for €277,089.

Non-current other receivables of €185,623 refer to specific projects where the collection of a certain amount, although due, is postponed to the end of the project itself.

As at 31 December 2021 the ageing of account receivables was:

Days overdue	2021	2020
	€	€
0-60	1,771,113	1,895,323
61-180	251,458	50,372
181-365	101,450	231,109
365 +	215,348	57,786
Total	**2,339,369**	**2,174,967**

As at 31 December 2021 the Group recognised provision for €46,892€ mainly referred to Setcar's overdue debts.

15. Deferred tax liabilities

	2021	2020
	€	€
Deferred tax liabilities	174,158	138,147
Deferred tax assets – losses	(84,661)	(129,724)
Total	**89,497**	**8,423**

Deferred tax assets have been recognised on losses brought forward to the extent that they can be offset against taxable temporary differences in line with the requirements of IAS 12.

The deferred tax liabilities arise from the capitalisation of development costs and defined benefit scheme are detailed below:

	2021	2020
	€	€
Deferred tax liabilities Cost Capitalized	86,313	121,504
Deferred tax liabilities Other	(1,652)	8,220
Deferred tax liabilities arising from acquisition	89,497	8,423
Deferred tax assets – losses exc. Setcar	(84,661)	(129,724)
Total	**89,497**	**8,423**

16. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	€	€	€	€
Cash at bank	11,126,683	7,075,447	9,430,364	4,283,625
of which restricted cash	*40,000*	-	-	-
Cash in hand	3,785	5,045	-	-
Total	**11,130,468**	**7,080,492**	**9,430,364**	**4,283,625**

The Company holds €40,000 of restricted cash as a guarantee for a performance bond provided by a bank for a major contract in the Environmental vertical.

17. Equity

	2021	2020
	€	€
Share Capital	205,393	190,996
Share Premium	39,159,027	31,395,612
Foreign currency translation reserve	(23,109)	(7,015)
Retained earnings	(25,352,139)	(21,824,229)
Non-controlling interests	2,041,938	906,885
Balance at 31 December	**16,031,110**	**10,662,249**

Share Capital

	Number of Ordinary Shares	Share Capital (€)
At 31 December 2019	**60,998,983**	**190,512**
Share issue on 26 June	111,980	309
Share issue on 30 June	63,624	175
At 31 December 2020	**61,174,587**	**190,996**
Share issue on 14 January *	190,872	535
Share issue on 29 December – capital raise **	1,670,518	4,962
Share issue on 30 December – capital raise **	2,996,149	8,900
At 31 December 2021	**66,032,126**	**205,393**

* On 14 January 2021, 190,872 ordinary shares with a nominal value of £0.0025 each were issued as effect of the exercise of options of ordinary shares for Directors and Senior Managers.

** On 29 and 30 December 2021, 4,666,667 ordinary shares with a nominal value of £0.0025 each were issued as effect of the Company's capital raise.

Share Premium

In euro	**Share premium** €
At 31 December 2019	**31,395,612**
Shares issued	**-**
Expenditure relating to the raising of shares	-
At 31 December 2020	**31,395,612**
Shares issued	8,306,293
Expenditure relating to the raising of shares	(542,878)
At 31 December 2021	**39,159,027**

On 29 and 30 December 2021, as a result of the Company's capital raise, 4,666,667 ordinary shares were issued at a price of £1.5 each. The Company accounted for €8,306,293 of gross share premium reserve, net of €542,878 of expenditure directly referred to the transaction.

Share capital
Financial instruments issued by the Directa Plus Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Directa Plus Group's ordinary shares are classified as equity instruments.

Share premium
To the extent that the company's ordinary shares are issued for a consideration greater than the nominal value of those shares (in the case of the company, £0.0025 per share), the excess is deemed Share Premium. Costs directly associated with the issuing of those shares are deducted from the share premium account, subject to local statutory guidelines.

Foreign currency translation reserve
Exchange differences resulting from the consolidation process of Setcar are recognised in the translation reserve for an amount of € 7,183.

Non- controlling interest
Non-controlling interest refers to the minority shareholders of the company who own less than 50% of the overall share capital.

As of 31 December 2021, non-controlling interest is composed by 48% of Setcar S.A. and 26.46% of Directa Textile Solutions Srl.

18. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	€	€	€	€
Non-current Loans and borrowings	2,403,881	1,017,716	-	-
Current Loans and borrowings	65,840	981,065	-	-
Total	**2,469,721**	**1,998,781**	**-**	**-**

	2021 €	Current €	Non current €	Repayment	Interest rate
BANK OF TRANSILVANIA	660,328	-	660,328	36-months	Variable 4.7% ROBOR 3M + 2,5%/year
BANK OF TRANSILVANIA IMM INV	464,143	-	464,143	60-months	Variable 4.11% ROBOR 3M +2.11%/year+2%
GVC INVESTMENT COMPANY LMT	16,630	16,630	-	12-months	1.5%/year
INTESA SAN PAOLO	300,000	18,393	281,607	72-months	1.5%/year + EURIBOR 3M
INTESA SAN PAOLO	25,000	3,076	21,924	72-months	1.5%/year + EURIBOR 3M
INTESA SAN PAOLO	500,000	-	500,000	72-months	1.5%/year + EURIBOR 3M
BANCA POPOLARE DI SONDIO	500,000	24,121	475,879	72-months	1.5%/year + EURIBOR 3M

Reconciliation of liabilities arising from financing activities

	01 January 2021	Cash flows: Capital Repayment	Cash flows: Liabilities acquired	Non Cash flows: Accrued Interest	Non Cash flows: Loan conversion into equity	31 December 2021
	€	€	€	€	€	€
Borrowings	**1,998,781**	(81,666)	1,511,719	1,642	(960,755)	**2,469,721**
Total	**1,998,781**	**(81,666)**	**1,511,719**	**1,642**	**(960,755)**	**2,469,721**

19. Leases liabilities

The following table details the movement in the Group's lease obligations for the period ended 31 December 2021:

	2021	**2020**
	€	€
Non-current lease liabilities	463,047	627,138
Current lease liabilities	217,537	214,935
Total	**680,584**	**842,073**

20. Employee benefits provision

	2021	**2020**
	€	€
Employee benefits	500,535	444,483
Total	**500,535**	**444,483**

Provisions for benefits upon termination of employment primarily related to provisions accrued by Italian companies for employee retirement, determined using actuarial techniques and regulated by Article 2120 of the Italian Civil code. The benefit is paid upon retirement as a lump sum, the amount of which corresponds to the total of the provisions accrued during the employees' service period based on payroll costs as revalued until retirement. Following the changes in the law regime, from January 1 2007 accruing benefits have been contributing to a pension fund or a treasury fund held by the Italian administration for post-retirement benefits (INPS). For companies with less than 50 employees it will be possible to continue this scheme as in previous years. Therefore, contributions of future TFR provisions to pension funds or the INPS treasury fund determines that these amounts will be treated in accordance to a defined contribution scheme, not subject to actuarial evaluation. Amounts already accrued before 1 January 2007 continue to be accounted for a defined benefit plan and to be assessed on actuarial assumptions.

The breakdown for 2020 and 2021 is as follows:

€

Amount at 31 December 2019	**406,534**
Service cost	57,081
Interest cost	10,131
Actuarial gain/losses	(7,821)
Past service cost	-
Benefit paid	(21,442)
Amount at 31 December 2020	**444,483**
Service cost	47,536
Interest cost	11,098
Actuarial gain/losses	6,457
Benefit paid	(9,039)
Amount at 31 December 2021	**500,535**

Variables analysis

Detailed below are the key variables applied in the valuation of the defined benefit plan liabilities.

	2021	2020
Annual rate interest	2.30%	2.30%
Annual rate inflation	1.10%	1.10%
Annual increase TFR	7.41%	7.41%
Tax on revaluation	17.00%	17.00%
Social contribution	0.50%	0.50%
Increase salary male	1.20%	1.20%
Increase salary female	1.15%	1.15%
Rate of turnover male	1.70%	1.70%
Rate of turnover female	1.50%	1.50%

Sensitivity analysis

Detailed below are tables showing the impact of movements on key variables:

Actuarial hypothesis - 2021		**Decrease 10%**		**Increase 10%**	
		Rate	**Variation DBO €**	**Rate**	**Variation DBO €**
Increase salary	Male	1.08%	(4,767)	1.32%	1,277
	Female	1.04%		1.27%	
Turnover	Male	1.53%	(4,962)	1.87%	1,325
	Female	1.35%		1.65%	
Interest rate		2.07%	11,788	2.53%	(14,631)
Inflation rate		0.99%	(6,032)	1.21%	2,546

21. Trade and Other payables

Non-current

	Group		Company	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Other payables	64,357	65,397	-	-
Total	**64,357**	**65,397**	**-**	**-**

Current

	Group		Company	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Trade payables	946,694	1,364,787	93,332	54,725
Employment costs	609,397	519,466	-	-
Other payables	375,807	1,228,655	78,486	62,020
Contingent consideration at fair value through P&L	-	572,268	-	-
Total	**1,931,898**	**3,685,176**	**171,818**	**116,745**

In 2021 Setcar released an obligation to its former shareholders for a total amount of €504k, accounted as other income in the Consolidated statement of comprehensive income. As of December 2020, this amount was accounted within other payables.

Over 2021 the Group paid the last tranches of contingent consideration to the former shareholders of Setcar for a total amount of €572,268.

22. Financial instruments

Financial risk management
The Group's business activities expose the Group to the following financial risks:

a) Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in interest rates or foreign exchange rates. As at 31 December 2021 the Group is exposed to variable interest rate risk for a short term revolving loan and for the loans recently issued by Directa Plus SpA under the Italian Government Covid-19 Recovery Plan. Those loans, being 90% guaranteed by the Italian Government, bear a low interest rate (1.5% + EURIBOR) and, if the interest rate had increased or decreased by 100 basis points during the year the reported loss after taxation would not have been materially different to that reported.

b) Capital Risk

The Group's objectives for managing capital are to safeguard the Group's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. There were no changes in the Group's approach to capital management during the year.

c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its trade receivables that the Company consider defaulted if any instalment is unpaid more than sixty (60) days past its original due date or where there is evidence that identifies the debtor's state of insolvency.

The Group's cash and cash equivalents and restricted cash are held with major financial institutions. The Group monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents and restricted cash.

The Group's trade receivables consist of receivables for revenue mainly in Italy and Romania. Management believes that the Group's exposure to credit risk is manageable and currently the Group's standard payment terms are 30 to 60 days from date of invoice are largely met from the clients. At the end of the period, 74% of account receivables have an ageing less of 60 days and refers to orders delivered close to the year end. As at 31 December 2021 the Group recognised a cumulated bad debt provision for €46,893.

Every new customer is internally analysed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Advance payment usually applies for the first order and the exposure to credit risk is approved and monitored on an ongoing basis individually for all significant customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group does not require collateral in respect of financial assets.

d) Exposure to credit risk

Group

	Note	2021	2020
		€	€
Trade receivables	14	2,339,369	2,174,967
Cash and cash equivalent	16	11,130,468	7,080,492
Total		**13,469,837**	**9,255,459**

The largest customer within trade receivables account for 13% of debtors. Management continually monitors this dependence on the largest customers and are continuing to develop the commercial pipeline to reduce this dependence, spreading revenues across a variety of customers.

e) Liquidity risk

It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The Board reviews regularly the cash position to ensure there are sufficient resources for working capital requirements and to meet the Group's financial commitments.

2021	**Carrying amount**	**Up to 1 year**	**1 -5 years**
	€	€	€
Financial liabilities			
Trade payables	946,694	946,694	-
Lease Liabilities	680,584	217,537	463,047
Loans	2,469,721	65,840	2,403,881
Total	**4,096,999**	**1,230,071**	**2,866,928**

2020	**Carrying amount**	**Up to 1 year**	**1 -5 years**
	€	€	€
Financial liabilities			
Trade payables	1,364,787	1,364,787	-
Lease Liabilities	842,073	214,935	627,138
Loans	1,998,781	959,520	1,064,310
Total	**4,205,641**	**2,539,242**	**1,691,448**

f) Currency risk

The Group usually raises money issuing shares in pounds, it follows that the Group usually holds sterling bank accounts as result of capital raise. Sterling bank accounts are mainly used to manage expenses of the Company (such as UK advisors, LSE fees and costs related to the Board) in UK. The cash held in Sterling continues to be subject to currency risk.

	EUR
Cash held in GBP	9,159,734

As of January 2022, to reduce the exposure to liquidity risk, Directors decided to translate GBP 4.5 million into EUR. As at 24th March 2022 the total cash held in GBP is equal to £3.5 million. If the exchange rate EUR/GBP increase by 10% the impact on P&L would be a loss equal to €0.4 million (if decrease by 10% would be a profit equal to €0.4 million).

The Group holds accounts also in other currency (such as USD and RON) but just for business purposes and for not material amount.

23. Earnings per share

	Change in number of ordinary shares	Total number of ordinary shares	Days	Weighted number of ordinary shares
At 31 December 2020	**175,604**	**61,174.587**	**365**	**61,087,158**
Existing shares		61,174,587	13	2,178,821
Issued on 14 Jan 2021	190,872	61,365,459	349	58,675,466
Issued on 29 Dec 2021	1,670,518	63,035,977	2	345,403
Issued on 30 Dec 2021	2,996,149	66,032,126	1	180,909
At 31 December 2021	**4,857,539**	**66,032,126**	**365**	**61,380,599**

	Basic		Diluted	
	2021 €	**2020** €	**2021** €	**2020** €
Loss attributable to the owners of the Parent	(3,652,364)	(4,195,011)	(3,652,364)	(4,195,011)
Weighted average number of ordinary shares in issue during the year	61,380,599	61,087,158	-	-
Fully diluted average number of ordinary shares during the year	-	-	61,649,085	61,477,110
Loss per share	(0.06)	(0.07)	(0.06)	(0.07)

The effect of anti-dilutive potential ordinary shares is ignored in calculating the diluted loss per share.

24. Share Schemes

The 2020 Employees' Share Scheme is administered by the Remuneration Committee.

The Directors are entitled to grant awards over up to 10 per cent of the Company's issued share capital from time to time.

Under the 2020 Employees' Share Scheme, in November 2020 1,801,000 options over Ordinary Shares were granted to key employees and additional 150,000 options were granted to an Executive Director in June 2021 under the same Scheme. As of 31 December 2021, the total number of outstanding Ordinary Shares awards is 1,184,000, of which 517,000 vested after the first year and 250,000 were revoked.

At the date of this report, an additional 539,080 share options had vested in 2020 under the 2016 Employees' and NED Share Schemes that have not yet been exercised.

The main terms of the 2020 Employee's Share Schemes are set out below:

Eligibility

All persons who at the date on which an award is granted under the Employees' Share Scheme are employees (or employees who are also office-holders) of a member of the Group and are eligible to participate. The Remuneration Committee decides to whom awards are granted under the Employees' Share Scheme, the number of Ordinary Shares subject to an award, the exercise date(s) (subject to the below) and the conditions which must be achieved in order for the award to be exercisable.

Types of Award
Awards granted under the Employees' Share Scheme have the form of market value share options. "Market value share options" are share options with an exercise price equal to the market value of a share at the date of grant. The right to exercise the award is generally dependent upon the participant remaining an officer or employee throughout the performance period. This is subject to the good leaver provisions described below. Awards granted under the Share Schemes will not be pensionable.

Individual Limits
The value of Ordinary Shares over which an employee or Executive Director may be granted awards under the Employees' Share Scheme in any financial year of the Company shall not exceed 200 per cent of his basic rate of salary at the date of grant.

Variation of share capital
Awards granted under the Share Schemes may be adjusted to reflect variations in the Company's share capital.

Vesting of awards
Outstanding awards will vest over three years in equal one third tranches on each anniversary of the grant date to the extent that the market-based performance targets have been met. Vested awards may generally be exercised between the third and tenth anniversaries from the date of grant. 75% of vested shares can be exercised after the third anniversary, while the remaining 25% from the fourth.

The inputs to the Monte-Carlo simulation were as follows:

	Monte-Carlo simulation
	Market value shares
Share price	60p
Exercise price	66p
Expected volatility	54%
Compounded Risk-Free Interest Rate	0.10%
Expected life	6 years
Number of options issued*	1,801,000

*Number of options issued is an input of the Monte-Carlo simulation and refers to the total options granted by the Company in November 2020. This is not representing any option issued in the period.

Details of the number of share options outstanding are as follows:

	Outstanding at start of period	Granted during the period	Cancelled during the period	Expired during the period	Vested during the period	Outstanding at end of period	Exercisable period option price	Grant date	Exercisable date
31 December 2019	**1,639,877**		**(25,523)**	**(733,066)**	**(821,288)**	**60,000**	75p	12 May 2017	12 May 2020
31 December 2020	**60,000**	**1,801,000**	**-**	**-**	**(60,000)**	**1,801,000**	66p	12 Nov 2020	12 Nov 2023
31 December 2021	**1,801,000**	**150,000**	**(250,000)**	**-**	**(517,000)**	**1,184,000**	66p – 118p	12 Nov 2020 – 15 Jun 2021	12 Nov 2023 – 15 Jun 2023

Cancelation of share options during the period relates to the resignation of employees. Share options expired over the period refers to those performance share options that did not meet the performance criteria on the third anniversary of their granting. Vested share options are Market share options that met the criteria on the third anniversary.

As of 14 January 2021, two Directors and two Senior Managers of the Company had exercised 190,872 ordinary shares, originally vested under the 2016 Employees Share Scheme.

25. Related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The below figures represent remuneration of key management personnel for the Group, who are part of the Executive Management Team but not part of the Board of Directa Plus PLC. The remuneration is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	2021	2020
	€	€
Short-term employee benefits and fees	407,451	278,619
Social security costs	102,469	68,576
	509,920	**347,195**

The increase in 2021 is mainly explained by the fact that during the year an employee was appointed as part of the Executive Management Team of Directa Plus SpA.

Transactions with shareholders

The following sales with shareholder of the Group were recorded, excluding VAT, during the year:

	2021	2020
	€	€
Sale of products	-	3,948

Products are sold on normal commercial terms and conditions.

Other transaction Group

Other related party transactions during the year under review are shown in the table below:

	2021	2020
	€	€
Sale of products	19,395	15,886

Products are sold on normal commercial terms and conditions

26. Contingent Liabilities and Commitments

The group has the following contingent liabilities relating to bank guarantees on operating lease arrangements and government grants.

	2021	2020
	€	€
Bank guarantees	163,340	141,553

27. Post Balance Sheet events

At the date of this report, it is still unrealistic to properly assess the potential impacts of the Ukrainian conflict on the Group. Directors are monitoring the evolution of the macro-economic scenario and consequently re-adjusting, where necessary, the Group's strategy and operational priorities. The Group is likely to be hit by inflation trends (as a consequence of the increase in energy and transportation costs) and, presumably, by some contracts slowdown. However, Directors believe that overall, the conflict will not affect the going concern of the Group, and, under certain circumstances, it will create some potential opportunities, such as from the price increase of oil and other materials could generate significant outturns for the Group and its clients.

On 15 March 2022, Directa Plus S.p.A. granted its subsidiary Setcar SA a loan of €1 million, payable in 1 year with an annual interest rate of 4.5%. Those funds, raised in the context of the capital increase completed in December 2021, will support Setcar in responding to significant new tenders and provide additional liquidity for its general working capital purposes.

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