29 September 2022

Directa Plus plc

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

Half Year Report for the Period Ended 30 June 2022

Strong Top Line Growth, Progress in All Key Vertical Markets

Directa Plus (AIM: DCTA), a leading producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to announce its half year results for the six months ended 30 June 2022.
As previously announced in our recent pre-close trading update, during the period the Group delivered strong top line growth and maintained its focus on developing and delivering market leading products and services in its two core business verticals - Environmental Remediation and Textiles. The Company continued to deliver enhancements, based on its patented technology, to products in other areas where Directa Plus has identified significant potential commercial opportunities, including paints, filtration, Lithium-Sulphur batteries and composites.

Highlights

Financial & Operational

- Revenue increased by +39% to €5.51m (1H2021: €3.95m)
- Total income increased by +23% to €5.61m (1H2021: €4.56m)
- Adjusted EBITDA loss* increased by 37% to €1.29m (1H2021: €0.94m), impacted by cost inflation as previously announced but with gross margin recovery expected by the end of H2.
- Adjusted loss before tax** increased by 14% to €1.99m (1H2021: €1.75m)
- Cash at period end €7.78m (FY2021: €11.13m), in-line with management expectations
- Approximately 10.4k cubic meters of sludge treated and 2.7k metric tonnes of hydrocarbons recovered
- 45k metres of textile printed, dyed and laminated in H1 2022

** Adjusted EBITDA loss represents results from operating activities before tax, interest, depreciation and amortisation, adjusted by one-off income, non-recurring legal expenses and non-recurring layoffs.*
*** Adjusted loss before tax represents Loss before tax adjusted by one-off income, non-recurring legal expenses, non-recurring layoffs and exchange rate gains/losses.*

Target markets progress

Environmental remediation (76% of period revenue (1H2021: 75%))

- In April 2022, Directa Plus received authorisation from the United States Environment Protection Agency for the Company's Grafysorber® technology to be used on any oil contamination in the US.
- Also in April 2022, the Company signed a first order of Grafysorber® based absorbing products from the UK's REDA Energy, a leading oil field chemical supplier, to initially target northern European markets.
- Post period end, in July 2022, the Company signed a Commercial Agreement with REDA Energy, to distribute Grafysorber® oil response products in specified European territories.

Textiles (22% of period revenue (1H2021: 24%))

- In April 2022, the Company signed a non-binding Letter of Intent with a leading international supplier of automotive interiors to Tier 1 manufacturers to develop a suite of new products.
- Post period end, in July 2022, the Company signed a supply agreement with Officine di Cartigliano, an Italian based leader in the production of tanning equipment, to use G+® pristine graphene nanoplatelets technology.
- In August 2022, the Company signed an extension to the exclusive supply agreement with Alfredo Grassi S.p.A., to broaden the existing collaboration to include G+® Thermal Planar Circuit® (PTC®) for the workwear market in Italy and France.
- In September 2022, the Company signed a commercial agreement with Schmid SpA, a leading fashion textile supplier, targeting the fashion footwear market and high-end bags, combining traditional fabrics with G+® textile technologies.

Other verticals

- In March 2022, Oxfordshire County Council began its second trial of GiPave®, a patented asphalt concrete modifier enhanced by the Company's G+® graphene.
- In 1H22, the Company developed a graphene-based paints solution which provides enhanced anti-flame and anti-corrosion properties compared to normal paints, and is in discussion with potential partners.

Innovation and IP

- Directa Plus' current patent portfolio now comprises 80 granted patents plus 27 patents pending, grouped into 22 families, 4 covering G+ production and 18 covering G+® products and applications.
- In June 2022, the Company was granted an Italian patent covering the use of the Company's G+® pristine graphene nanoplatelets applied to textile substrates for high bacterial filtration efficiency media for filtration applications.
- In August 2022, the Company received the grant of the US patent titled "Golf ball comprising graphene".
- In August 2022, the Company received a Notice of Allowance from the United States Patent and Trademark Office for the grant of a patent covering the Company's G+® embedded polyurethane membrane.

Outlook

- Significant continued revenue growth despite the uncertainty in the macro-economic climate.
- Cost increases seen during 1H22 have been addressed both through price increases for the Group's products and investment in new equipment that is expected to reduce direct production costs, with gross margin recovery expected in 2H22.
- The Company is still awaiting the final decision on the award of a significant contract in Romania for Environmental Remediation services but the Directors continue to believe that the Group is well positioned to win the tender.

Giulio Cesareo, Founder & CEO of Directa Plus, said: "We maintain a positive outlook for the full year. However, this optimism must be tempered by the increasingly difficult macro-economic and geopolitical situation as inflation trends and supply chain issues could well worsen in the short term as we approach the northern hemisphere winter. Despite these pressures, the Directors believe that Directa Plus has positioned itself well to withstand headwinds and take full advantage of the technology platform we have developed which continues to gain further commercial traction."

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.

Review of Operations

Environmental

The Group's subsidiary, Setcar, continues to grow and is delivering customer and revenue growth, making an important financial contribution to Directa Plus. Grafysorber®'s commercial traction, for water and soil decontamination, continues to increase with new customers won and repeat business from existing customers secured.

As announced during the capital raise in December 2021, the Group is investing in broadening its environmental remediation solutions. In 1H22 the Group installed a production facility for Grafysorber® materials for oil spill response products to increase production capacity and benefit from lower unit production costs. The Group is planning to move a second Grafysorber® mobile production unit into Romania to further increase its production capacity.

In Setcar's home market of Romania, the Group has established a successful growing business which supports plans to scale up and export to other markets. In April 2022, the Company received authorisation from the US Federal Environment Protection Agency (EPA) for Grafysorber® technology to be used on any oil contamination on US territory. Approval from the EPA is a vital first step towards entering the very large US oil decontamination market. The Group is seeking to enter Asian markets and is in talks with a number of important players in the oil industry as a first step with the goal in the medium term to access other verticals.

Just after the period end, in July 2022, the Company signed a Commercial Agreement with UK based REDA Energy Ltd to distribute Grafysorber® oil response products in agreed territories in Northern Europe. REDA Energy, a division of the REDA Group, is a leading chemical manufacturer and supplier of products and services to the global oil and gas sector. The Commercial Agreement follows the successful testing of Directa's products by REDA customers in the North Sea. These customers particularly appreciated the lightness and simplicity in handling, the effectiveness of absorption, and the reduced amount of plastic used in Grafysorber® booms and pillows. As a result of feedback from REDA Energy, Directa Plus has been able to further improve its oil spill response products, enhancing their ease of use and performance.

The first order from REDA for Grafysorber® products predates the Agreement and was delivered in June 2022 and comprised thousands of pillows and barriers. REDA will place a second similar order to build a minimum safety stock of products to cover northern Europe and will commence the distribution of Grafysorber® products to REDA customers. REDA is also considering wider opportunities for the application of the Group's water decontamination technology.

Textiles

The Textiles vertical continues to gain commercial traction and is expanding its broad spread of applications. Directa Plus has customers across a variety of markets who benefit from the advantages of G+® technology:

- Heat dispersion properties (Planar Thermal Circuit, PTC®)
- Antimicrobial (antiviral and antibacterial) properties
- Electrical conductivity properties
- No negative impacts on human skin
- Sustainable production process

<u>Workwear</u>

Post period end, in July 2022, the Company signed an extension to its exclusive supply agreement with

Alfredo Grassi S.p.A. ("Grassi"), with whom Directa Plus has been working successfully for over five years, to broaden the existing collaboration to include Planar Thermal Circuit® (PTC®) for the workwear markets in Italy and France. This will enable the development of new products for Grassi that will increase comfort for the wearer – a key differentiator as climate change increases temperatures around the world.

Grassi is a leading European workwear and outerwear manufacturer, which has been operating since 1925. Grassi produces technical clothing for the industrial, sports and fashion industries, with a strong focus on innovation and sustainability. The supply agreement grants Grassi exclusive use of Directa Plus' proprietary PTC® G+® textile printing technology for the workwear market in France and Italy for a period of two years.

Both Directa Plus and Grassi see significant advantages from the deeper relationship, with Directa Plus gaining a recurring revenue stream for its G+® PTC® technology and Grassi benefitting from exclusive use of a sustainable textile technology with no biological impact. The agreement will also enable the Company to further develop its understanding of market trends and drivers affecting demand for workwear products.

Luxury

Directa Plus has been involved in the luxury market almost since inception and continues to see interest from brands in the development of innovative, technical new products to add to their collections. The Company continues to work with a major luxury Italian brand, which remains a customer since 2019 and relies on Directa Plus' technology to promote its technical fabrics collections.

Automotive

In April 2022, the Company signed a Letter of Intent (LOI) with a leading global supplier of automotive interiors to Tier 1 manufacturers. The supplier intends 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 G+® enhanced fabrics.

The LOI has a 12-month term and sees Directa Plus and the supplier agree to combine resources, competence and expertise to develop G+® enhanced fabrics into a suite of ready to use products for the automotive industry. If both parties are satisfied with the results achieved after the 12 months, the partners shall undertake to negotiate a Supply Agreement between the two companies. Directa Plus is already working with the supplier to produce prototypes for a number of global Tier 1 auto manufacturers.

Air filters

In December 2021, the Company signed a Letter of Intent with an Italian based global chemicals and materials group which is a major player in the non-woven materials industry to collaborate on an exclusive basis for an initial period of 12 months. The collaboration sees Directa Plus' G+® technologies combined with those of the partner to develop specific products for the global air and water filtration markets. The technical development is yielding exciting results and the two companies are renewing the collaboration with the goal to accelerate the commercialisation of G+® functionalised non-woven materials.

Consumer electronics

Directa Plus continues to collaborate 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+® as a protective covering for consumer devices, exploiting its antiviral-antibacterial properties as well as its thermal and electrical conductivity. The partnership has delivered exceptional results to date. This collaboration continues to demonstrate the potential for significant volumes in the coming years.

Other textiles applications

Post period end, in July 2022, the Company signed a supply agreement with Officine di Cartigliano, for its G+® technology, worth €150,000 over one year on a take or pay basis. Officine di Cartigliano is the Italian based leader in the production of tanning equipment for the textile industry and will be using a formulation of the Company's G+® based textile finishing application to improve the performance of its equipment, particularly to address antistatic issues.

In June 2022, Directa Plus attended Techtextil in Germany, a leading international trade fair for technical textiles and nonwovens. International exhibitors presented the entire spectrum of technical textiles, functional apparel textiles and textile technologies. Directa Plus met with over 120 companies and more than 400 contacts at the fair, illustrating the traction that has been built for the Company's textile applications and the many potential future opportunities - mainly in the workwear and military segments.

Additional industrial verticals

Composites

The asphalt applications of Directa Plus's G+ graphene technology have great potential and the product developed with Iterchimica provides exceptional results in terms of increased durability and reduced carbon footprint. Despite a slower start than expected, interest in the market for the product is growing internationally and is gaining significant commercial traction.

In March 2022, Oxfordshire County Council started its second trial of a patented asphalt concrete modifier developed by Iterchimica and enhanced by the Company's Graphene Plus. 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. The risk of rutting under loads from heavy goods vehicles is also reduced by increased stiffness in the product.

GiPave® was developed by Iterchimica with the support of Directa Plus and resulted from a three-year research programme with a patent filed in 2017. The product uses waste plastics that would not normally be recycled and the asphalt containing GiPave® can itself be entirely recycled - promoting the 'circular economy,' which reduces waste and the need for new materials.

Lithium-Sulphur Batteries

Lithium-Sulphur is a next generation battery chemistry offering advantages over Lithium-Ion as it has a superior energy density, significant cost advantages and a superior safety profile. Directa Plus continues to support its partner NexTech in the development of this technology, in which G+® will play a key role in terms of technical properties and the supply of the product at the scale necessary to satisfy the needs of the market. In 1Q22 the parties agreed to remove the exclusivity clause originally agreed in the contract, and this will allow Directa Plus to collaborate with other players in the industry.

The Company remains focused on supporting the development of such a potentially disruptive technology and it has already targeted another Lithium-Sulphur battery producer to accelerate the technology's commercialisation.

Other areas
The Company continues to pursue additional opportunities in new growth verticals including paints, polymers, elastomers, golf balls, cements, and membranes.

The Company has developed a graphene-based paint solution which provides enhanced anti-flame and anti-corrosion properties compared to normal paints. Directa Plus has hired a team of experienced people in the field and has started discussions with international major players in Europe and Asia to accelerate commercialisation. The Group sees great potential in this developing technology.

Intellectual Property

As at September 2022, the Group's patent portfolio is comprised of 80 patents granted plus 27 patents pending. The patents are grouped into 22 families, four covering G+® production and 18 covering G+® products and applications.

In June 2022, the Company was granted an Italian patent covering the use of the Company's G+® applied to textile substrates for high bacterial filtration efficiency media for filtration applications. The priority date for the patent was 25 May 2020. G+® applied to textile substrates provides proven antibacterial and antiviral (including anti-SARS-CoV-2) performance. The target filtration market applications cover both medical and industrial use. Directa Plus started work on air filtration in 2020 with a signature project that successfully supplied face masks with anti-SARS-CoV-2 protection. This work led quickly into exploring industrial filtration applications starting with the automotive and HVAC (heating, ventilation and air conditioning) markets.

In August 2022, the Company received the grant of a US patent titled "Golf ball comprising graphene". The patent will enable Directa Plus to license its technology in the key US market. The patent priority date was 23 December 2016 and covers a variety of formulations containing G+® graphene nanoplatelets for application within golf balls. The use of G+® compounds in golf balls at different loadings has the potential for developing a whole new range of golf balls for professionals and amateurs. Different G+® graphene compounds within the golf ball will enable professionals to increase distance without losing lateral control or increase overall control of the ball for amateurs. The Company is now in discussions with potential partners to bring the technology to market.

In August 2022, the Company has received a Notice of Allowance from the United States Patent and Trademark Office for the grant of a patent covering the Company's G+® embedded polyurethane membrane, developed explicitly for the textile industry, together with its production method and its applications. The patent, titled "Polyurethane film comprising graphene and preparation process thereof", has a priority date of 5 May 2017. The official grant, expected shortly, will follow on from the completion of the filing process. G+® membranes are highly functional membranes that combine breathability and water protection with thermal and electrical conductivity. They provide superior thermal comfort by enhancing heat retention, due to high infrared absorption, while equalising it as a result of high in-plane thermal conductivity. They are electrically conductive, and the conductivity properties can be adjusted to confer antistatic behaviours for heating. Directa Plus' G+® membranes are non-toxic, non-cytotoxic, and safe against the skin. The membranes are used in apparel markets including the sportswear, workwear, military, luxury and accessories segments. In addition, they are being developed for use in the automotive, filtration and upholstery markets.

Financial

The Group's interim financials as of 30 June 2022 show a robust and continuous revenue growth of Directa Plus. During the first six months of the year, total revenues increased by 39% compared to the same period of 2021, reaching €5.51 million. The growth was driven by a strong performance by all the main verticals: Environmental Remediation +43% (€4.20 million), Textiles +26% (€1.19 million) and other verticals +86% (€0.12 million), the latter mainly thanks to the asphalts applications which are providing encouraging signals.

The first half of 2022 has been affected by a difficult and uncertain macro-economic environment caused by the consequences of the war in Ukraine. Input cost inflation, mainly driven by energy price increases, supply chain issues and recessionary destocking by suppliers meant that the Group had to deal with unexpected, and significant, cost increases which led to a reduction in profitability.

However, the Group is promptly reacting to mitigate the impact of such cost increases mainly through commercial actions: renegotiating principal contracts, and investing in new milling equipment that is expected to significantly reduce direct production costs, taking advantage from the throughput project started six years ago. As a result, gross margin recovery is continuing in the last quarter of 2022.

The table below shows a comparison of adjusted EBITDA loss and Loss before tax in the first half of 2022 and of the previous year. Adjustments refer to:

- €0.5 million of one-off other income reported in the 2021 accounts from the release of an undue obligation to the former shareholders of Setcar
- €0.05 million of legal expenses incurred in 1H22, mainly linked to the protection of Directa Plus' IP portfolio, following the potential breach of one of its patents in the textiles vertical
- €0.06 million of extraordinary severance pay
- Non-cash exchange rate effects (especially on the conversion GBP to EURO) which negatively affected this years profitability

€ million	**1H21**	**1H22**
Result from operating activities	**-1.22**	**-2.05**
(+) Depreciation and amortisation	0.78	0.65
LBITDA	**-0.44**	**-1.40**
(-) One-off income	-0.50	0.00
(+) Non-recurring legal expenses	0.00	0.05
(+) Layoff expenses	0.00	0.06
Adjusted LBITDA	**-0.94**	**-1.29**

€ million	**1H21**	**1H22**
Loss before tax	**-1.09**	**-2.21**
(-) One-off income	-0.50	0.00
(+) Non-recurring legal expenses	0.00	0.05
(+) Layoff expenses	0.00	0.06
(+/-) FX loss/gain	-0.16	0.11
Adjusted Loss before tax	**-1.75**	**-1.99**

As of 30 June 2022, Cash was €7.78m (€11.13m as of 31 December 2021). The Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from approving these interim financial statements.

Board Composition

The Board is in advanced discussions to appoint a new non-executive director and has identified several other potential candidates. The Board remains committed to bring additional diversity and expertise to the Company.

Outlook

We have seen an increased level of interest in graphene and its applications as a whole, with Directa Plus receiving a materially higher level of enquiries from potential partners and customers. This has translated into continued growth despite the uncertainty in the macro-economic climate caused by the war in Ukraine, rising inflation driven mainly by energy cost increases and fears of recession. In 1H22, the Group experienced sudden and unexpected cost increases which led to a reduction in margin. The Group was impacted by higher energy and raw material costs, that directly affected its direct production costs, and general cost increases on outsourced services. These increases were addressed in two ways. Firstly, by price increases for the Group's products – major contracts with clients were renegotiated and secondly by an important cost reduction plan fostered by a new milling equipment that is expected to significantly reduce direct production costs. These measures will allow the Group to progressively recover margins over 2H22.

Directa Plus still awaits the final decision on the award of a significant contract in Romania for the Group's Environmental Remediation services but the Directors continue to believe that the Group is well positioned to win the tender.

In summary, the Board maintains a positive outlook for the full year. However, this optimism must be tempered by the increasingly difficult macro-economic and geopolitical situation as inflation trends and supply chain issues could well worsen in the short term as the northern hemisphere winter approaches. Despite these pressures, the Directors believe that Directa Plus has positioned itself well to withstand headwinds and take full advantage of the technology platform it has developed and that continues to gain further commercial traction.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

In euro	Note	(Unaudited) 6 months ended 30 Jun 2022	(Unaudited) 6 months ended 30 Jun 2021	Audited 12 months ended 31 Dec 2021
Continuing operations				
Revenue		5,508,706	3,950,559	8,615,098
Other income		100,667	613,651	831,405
Changes in inventories of finished goods and work in progress		174,084	293,498	12,960
Raw materials and consumables used		(2,984,979)	(1,300,320)	(3,634,311)
Employee benefits expenses		(2,259,310)	(1,996,322)	(4,296,955)
Depreciation and amortisation		(646,657)	(775,393)	(1,543,567)
Other expenses		(1,943,883)	(2,002,230)	(3,516,424)
Results from operating activities		**(2,051,372)**	**(1,216,557)**	**(3,531,794)**
Finance (expenses)/income		(160,504)	128,918	146,941
Net finance (costs)/income		**(160,504)**	**128,918**	**146,941**
Loss before tax		**(2,211,876)**	**(1,087,639)**	**(3,384,853)**
Tax expense		(6,149)	(116,640)	(44,620)
Loss after tax		**(2,218,025)**	**(1,204,279)**	**(3,429,473)**
Loss from continuing operations		**(2,218,025)**	**(1,204,279)**	**(3,429,473)**
Loss of the period		**(2,218,025)**	**(1,204,279)**	**(3,429,473)**
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		1,350	(6,917)	(6,457)
Other comprehensive income for the year (net of tax)		**1,350**	**(6,917)**	(6,457)
Total comprehensive income for the year		**(2,216,675)**	**(1,211,196)**	**(3,435,930)**
Loss attributable to				
Owner of the Parent		(2,230,996)	(1,479,086)	(3,652,364)
Non-controlling interests		12,971	274,807	222,891
		(2,218,025)	**(1,204,279)**	**(3,429,473)**
Total Comprehensive (loss)/ income attributable to				
Owner of the Parent		(2,229,646)	(1,486,003)	(3,658,821)
Non-controlling interests		12,971	274,807	222,891
		(2,216,675)	**(1,211,196)**	**(3,435,930)**
Loss per share				
Basic loss per share	2	(0.03)	(0.02)	(0.06)
Diluted loss per share	2	(0.03)	(0.02)	(0.06)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

In euro	Note	(Unaudited) 30 Jun 2022	(Unaudited) 30 Jun 2021	Audited 31 Dec 2021
Assets				
Intangible assets		1,829,204	1,907,600	1,792,277
Property, plant and equipment		3,769,629	4,187,504	3,982,966
Trade and other receivables		553,904	135,036	185,623
Non-current assets		**6,152,737**	**6,230,140**	**5,960,866**
Inventories		1,597,476	1,657,947	1,370,875
Trade and other receivables		3,052,595	2,621,172	3,305,493
Cash and cash equivalent		7,776,689	5,191,533	11,130,468
Current assets		**12,426,760**	**9,470,652**	**15,806,836**
Total assets		**18,579,497**	**15,700,792**	**21,767,702**
Equity				
Share capital		205,469	191,531	205,393
Share premium		39,181,789	31,395,612	39,159,027
Foreign currency translation reserve		(45,100)	(15,061)	(23,109)
Retained Earnings		(27,569,021)	(23,248,981)	(25,352,139)
Equity attributable to owners of Group		**11,773,137**	**8,323,101**	**13,989,172**
Non-controlling interest		1,880,198	2,101,286	2,041,938
Total equity		**13,653,335**	**10,424,387**	**16,031,110**
Liabilities				
Loans and borrowings		1,687,953	1,890,196	2,403,881
Lease liabilities		363,877	462,192	463,047
Employee benefits		519,055	474,274	500,535
Other payables		64,392	64,636	64,357
Deferred tax liabilities		73,332	114,022	89,497
Non-current liabilities		**2,708,609**	**3,005,320**	**3,521,317**
Loans and borrowing		137,434	26,722	65,840
Lease liabilities		204,868	276,987	217,537
Trade payables and other payables		1,875,251	1,967,376	1,931,898
Current liabilities		**2,217,553**	**2,271,085**	**2,215,275**
Total liabilities		**4,926,162**	**5,276,405**	**5,736,592**
Total equity and liabilities		**18,579,497**	**15,700,792**	**21,767,702**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

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 2020	**190,996**	**31,395,612**	**(7,015)**	**(21,824,229)**	**9,755,364**	**906,885**	**10,662,249**
Total comprehensive (loss)/income for the period							
Loss of the Period	-	-		(1,479,086)	**(1,479,086)**	274,807	**(1,204,279)**
Total other comprehensive (expense)/income	-	-		(6,917)	**(6,917)**	-	**(6,917)**
Total comprehensive (loss)/income for the period	-	-		**(1,486,003)**	**(1,486,003)**	**274,807**	**(1,211,196)**
Capital raised	535	-		-	**535**	-	**535**
Translation reserve	-	-	(8,045)		**(8,045)**	-	**(8,045)**
Change of Setcar non-controlling interests	-	-	-	-	**-**	919,594	**919,594**
Share based payment reserve	-	-	-	61,251	**61,251**	-	**61,251**
Balance at 30 June 2021	**191,531**	**31,395,612**	**(15,061)**	**(23,248,981)**	**8,323,101**	**2,101,286**	**10,424,387**
Total comprehensive (loss)/income for the period							
Loss of the Period	-	-	-	(2,173,278)	(2,173,278)	(51,916)	(2,225,194)
Total other comprehensive (loss)/income	-	-	-	461	461	-	461
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(2,172,817)**	**(2,172,817)**	**(51,916)**	**(2,224,733)**
Capital raised	13,862	8,306,293	-	-	8,320,155	-	8,320,155
Expenditure related to the issuance of shares		(542,878)		-	(542,878)	-	(542,878)
Translation reserve	-	-	(8,048)		(8,048)	-	(8,048)
Change of Setcar non-controlling interests	-	-	-	-	-	(7,430)	(7,430)
Share based payment reserve	-	-	-	69,659	69,659	-	69,659
Balance at 31 December 2021	**205,393**	**39,159,027**	**(23,109)**	**(25,352,139)**	**13,989,172**	**2,041,938**	**16,031,110**
Total comprehensive (loss)/income for the period							
Loss of the Period	-	-	-	(2,230,996)	(2,230,996)	12,971	(2,218,025)
Total other comprehensive (loss)/income	-	-	-	1,350	1,350	-	1,350
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(2,229,646)**	**(2,229,646)**	**12,971**	**(2,216,675)**
Capital raised	77	22,762	-	-	22,838	-	22,838
Translation reserve	-	-	(21,991)		(21,991)	-	(21,991)
Change of Setcar non-controlling interests	-	-	-	-	-	(174,711)	(174,711)

Share based payment reserve	-	-	-	12,765	12,765	-	12,765
Balance at 30 June 2022	**205,469**	**39,181,789**	**(45,100)**	**(27,569,021)**	**11,773,137**	**1,880,198**	**13,653,335**

CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2022

	(Unaudited) 30 Jun 2022	(Unaudited) 30 Jun 2021	Audited 31 Dec 2021
Loss for the year before tax	(2,211,876)	(1,087,639)	(3,384,853)
Adjusted for:			
Depreciation	391,732	489,675	994,021
Amortisation of intangible assets	254,925	285,718	549,547
Share based payment expense	12,765	61,251	130,910
Finance income	(1,009)	(163,820)	(221,622)
Finance expense	153,812	13,970	56,524
Interest of lease liabilities	7,702	12,543	18,157
Operating cash flow before working capital changes	**(1,391,949)**	**(388,302)**	**(1,857,316)**
Decrease / (Increase) in inventories	(226,600)	(282,000)	5,072
Decrease / (Increase) in trade and other receivables, prepayments	(115,384)	241,900	(493,008)
(Decrease) / Increase in trade and other payables	(261,375)	(1,338,201)	(1,207,601)
Increase / (decrease) in provisions and employee benefits	11,360	16,765	37,457
Net cash used in operating activities	**(1,983,948)**	**(1,749,838)**	**(3,515,396)**
Cash flows from investing activities			
Interest received	1,009	427	1,616
Investment in intangible assets	(291,853)	(120,445)	(299,056)
Contingent consideration	-	(442,205)	(572,268)
Acquisition of property, plant and equipment	(178,395)	(458,996)	(767,719)
Net cash used in investing activities	**(469,239)**	**(1,021,219)**	**(1,637,427)**
Cash flows from financing activities			
Proceeds from Capital raise	22,838	535	8,320,690
Expenditure related to the issuance of shares	-		(542,878)
Interest Paid	(33,603)	(8,622)	(45,426)
New Borrowings	285,680	872,945	1,511,719
Repayment of borrowings	(930,013)	(35,214)	(81,666)
Repayment of lease liabilities	(111,840)	(102,894)	(179,646)
Net cash (used)/generated from financing activities	**(766,938)**	**726,750**	**8,982,793**
Net (decrease)/increase in cash and cash equivalent	**(3,220,125)**	**(2,044,307)**	**3,829,970**
Effect of exchange rate changes	**(133,654)**	**155,348**	**220,006**

Cash and cash equivalents at beginning of the period	**11,130,468**	**7,080,492**	**7,080,492**
Cash and cash equivalents at end of the period	**7,776,689**	**5,191,533**	**11,130,468**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the 6 months ended 30 June 2022

1. Basis of preparation

(a) Statement of compliance

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

The financial information for the six months ended 30 June 2022 is unaudited. In the opinion of the Directors, the financial information for the period fairly represents the financial position of the Group. Results of operations and cash flows for the period are in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies, estimates and judgements applied are consistent with those disclosed in the Group's statutory financial statements for the year ended 31 December 2021. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the full annual report for the year ended 31 December 2021.

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

The Directors of the Company approved the financial information included in these Interim condensed consolidated financial statements on [28] September 2022.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Going concern

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

As at 30 June 2022, the Group had net assets of €13.65m (31/12/2021: €16.03m) and cash and cash equivalent of €7.78m (31/12/2021: €11.13m).

The Directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place in the business. The Group is projected to have the financial capacity to support its viability, following the uncertainties and challenges created by the COVID-19 pandemic and the inflation trends due to the war in Ukraine, until at least the end of 2023.

Having regard to the above and based on their latest assessment of the budgets and forecasts for the business of the company, the Directors consider that there are sufficient funds available to the Group to enable it to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of the financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2. Earnings Per Share

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

	Change in number of ordinary shares	**Total number of ordinary shares**	**Days**	**Weighted number of ordinary shares**
At 31 December 2019	**12,530,156**	**60,998,983**	**365**	**52,973,511**
At 31 December 2020	**63,624**	**61,174,587**	**365**	**61,087,158**
At 31 December 2021	**4,857,539**	**66,032,126**	**365**	**61,380,599**
At 30 June 2022	**25,523**	**66,057,649**	**181**	**66,049,470**

Earnings per share

	30 Jun 2022	**30 Jun 2021**	**31 Dec 2021**
Loss for the year	(2,230,996)	(1,479,086)	(3,652,364)
Weighted average number of shares:			
- Basic	66,049,470	61,351,750	61,380,599
- Diluted	67,044,295	61,890,830	61,649,085
Loss per share			
- Basic	**(0.03)**	**(0.02)**	**(0.06)**
- Diluted	**(0.03)**	**(0.02)**	**(0.06)**

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