23 September 2020

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Directa Plus plc

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

Half Year Report

Directa Plus (AIM: DCTA), a producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to announce its half year results for the six months ended 30 June 2020.

During the period the Group has continued to grow strongly in its key selected industrial verticals, securing important new contracts and new intellectual property rights and remains well positioned to capture significant growth opportunities. Progress in first half of 2020 was constrained by the ongoing Covid-19 pandemic, particularly in Italy and Europe where much of Directa Plus' activities are focussed.

Summary

Financial Highlights

- Total revenue increased by approximately 200% to €2.81 million* (1H2019: €0.95m)
- EBITDA loss similar to comparable period at €1.47m (1H2019: loss of €1.45m)
- Adjusted loss after tax** of €1.95.m (1H2019: adjusted loss of €1.83m)
- Loss after tax of €2.45m (1H2019: loss of €1.78m)
- Cash at period end €7.49m (FY2019 €10.9m), in-line with management expectations

** Setcar S.A. ("Setcar"), a 51% owned subsidiary acquired in November 2019, contributed €2.12 million to total revenue*
*** Excluding amortisation and depreciation relating to revaluation of acquired assets €0.24m (H12019 nil) and cost of exchange rate changes of €0.26m (H12019 gain of €0.05m)*

Commercial Highlights

Environmental (80% of period revenue)

- Setcar fully integrated into the Group's operations with a significant opportunity pipeline
- Two significant contracts secured post-acquisition:
    - a €5m contract for the provision of environmental services to GSP Offshore, commencing in February 2020 with annual revenue of €0.7m over a period of seven years; and
    - a US$3m contract for waste management services to Cummins Romania, covering a period of three years commencing on 1 October 2020

Textiles (19% of period revenue)

- Textile revenue reduced to €0.54m (1H2019: €0.82m) with Covid-19 impacting customer demand
- Accelerated development, production and sale of a new facemask range, branded *Co-mask*™ incorporating G+® graphene
- *Co-mask™* has been proven to possesses anti-bacterial and anti-viral (SARS-CoV-2 properties) that offer the wearer an enhanced level of protection from Covid-19*

- Significant and growing customer interest being shown in *Co-mask™.* Orders received to date with a value of over €400,000, including 25,000 units by a leading Italian luxury sportscar manufacturer
- Receipt of an EU grant as part of the GREEN.TEX partnership for the development of environmentally friendly and high performance G+® graphene enhanced inks for digital printing
- Post-period collaboration agreement signed with Poltrona Frau S.p.A, a global leader in high-end furniture manufacture for residential, bespoke and commercial use, to develop G+® enhanced leather

** testing conducted by the Department of Neuroscience of the Catholic University of Rome operating in conjunction with the Gemelli Hospital in Rome*

Composites

- Increased commercial traction for Gipave®, a graphene enhanced asphalt developed in conjunction with Iterchimica
- Growing number of installations of Gipave®, continue to demonstrate a substantial market opportunity:
    - a runway trial at Rome's Fiumicino airport
    - a road trial in Kent, UK
    - a permanent road surface at the new Genoa San Giorgio Bridge
- A 3-year exclusive supply agreement for G+® modifier ITC1 to be used in asphalts and bitumens was signed with Iterchimica in April 2020
- Agreement signed between Directa Plus and Comerio Ercole SpA to pursue joint research and development projects using the Company's G+® technology to develop products for the rubber, tyres, plastic and non-woven materials industries

Additional industrial verticals

- Post-period agreement signed in July 2020 with Italdesign S.p.A, a global leader in automotive design and engineering and a part of Volkswagen AG, to jointly develop automotive components enhanced by Directa Plus's graphene expertise

Technology and IP

- Technology Innovation Award 2020 received from Frost & Sullivan in May 2020
- Three additional patents granted, including a sixth Chinese patent covering the use of the Company's G+® graphene technology for bicycle, motorcycle and passenger car tyres as well as truck and bus radial tyres
- Post-period granted a patent by the Italian Patent Office for the Company's G+® graphene to improve the performance of rubber-based shoe outsoles
- Current patent portfolio now comprises 37 granted patents plus 23 patents pending, grouped in 15 families, 4 covering G+ production and 12 covering G+® products and applications

Giulio Cesareo, Founder & CEO of Directa Plus, said:

"I am pleased to report that Directa has delivered over 200% growth in revenues in the first half of the year and has continued to make strong commercial progress, despite the impact of Covid-19. The Group has responded exceptionally well to the challenges with altered working patterns and changes to the use of office

and laboratory space. We have been able to ensure the health and wellbeing of our employees, whilst fully engaging with customers and supporting our growth plans.

"During the period we have made strong advances across our key industrial verticals, with significant contract wins for Setcar and material progress in the commercialisation of the Gipave® with our partner, Iterchimica.

"Our strategy of partnering with leading Italian and European industrial partners to bring G+® graphene enhanced products to existing markets is working well. In addition, new collaboration agreements with globally recognised product design partners, often backed by leading multinational manufacturers, demonstrate that we have a strong pipeline of additional research and development options.

"The development of our new Co-mask™ *from concept to production and sale in just a few months is something of which I am personally particularly proud. The recently announced testing showing the mask's efficacy against SARS-CoV-2 proves that our efforts have been worthwhile and that we can help fight against Covid-19 and its effects. Directa Plus* Co-Mask™ *now offers end users an upgrade from the basic functionality of a normal face mask, going beyond simply filtering droplets to providing antiviral qualities, improved thermal comfort and improved environmental sustainability.*

"We are hopeful that we will be able to return to a more normal way of working soon, but in any event Directa Plus remains well positioned for further success with growing traction in a number of target markets offering substantial potential."

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

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Review of Operations

Environmental

Directa Plus acquired a 51 per cent interest in Directa's subsidiary Setcar S.A. ("**Setcar**") on 26 November 2019. Setcar provides market leading environmental services to the oil and gas industry by combining Setcar's historic experience in environmental services and remediation with Directa Plus' proprietary next generation, graphene based Grafysorber® adsorbant. On 3 February 2020, the Company announced that Setcar had been awarded a significant contract win to supply environmental services to GSP Offshore, part of the Romanian oil services group, GSP. This marked the second major contract win for Setcar since the completion of the acquisition by Directa Plus and the contract has a value to Setcar of approximately €700,000 per annum over a period of seven years for a total value of approximately €5 million, commencing in February 2020. The initial phases of post-acquisition integration have gone as planned and started to deliver the anticipated results. Further work to align the operations is anticipated to proceed smoothly.

Directa Plus's success in developing Grafysorber® was recognised in May 2020 when the Company received a Technology Innovation Award 2020 from global consultants Frost & Sullivan for innovative product and processing technology for treating waters and sludges contaminated by hydrocarbons. In the report, titled 'Graphene for the Environmental Remediation Industry', the authors point out that *"the technology is a remarkable step toward attaining sustainable and cost-effective environmental remediation."*

Setcar signed another significant contract, announced post-period on 13 July 2020, to supply total waste management services to Cummins Generator Technologies Romania S.A., part of the Fortune 500 group Cummins, Inc. The value of the contract to Setcar is estimated to be approximately US$3 million over a period of three years, commencing 1 October 2020.

Textiles

As part of a partnership called GREEN.TEX, Directa Plus received a grant from the EU in January 2020, to develop an environmentally sustainable technology to digitally print its G+® graphene product on fabrics. The project partners are EFI Reggiani, the Italian subsidiary of global digital printing group Electronics For Imaging, Inc. ("**EFI**"), and IBS Consulting Group. Due to last for an initial 24 months, the project's aim of developing digital printing will offer improved fabric performance and much greater flexibility in production and will focus on environmental sustainability of processes and materials. Directa Plus will receive a grant of €0.1 million.

On 12 February 2020, the Company announced that is had secured OEKO-TEX® certification for Directa Plus's proprietary G+ graphene printing paste technology. *Eco Passport* by OEKO-TEX® is an independent certification system for chemicals, colourants and auxiliaries used in the textile and leather industry. Operating since 1992 OEKO-TEX® offers testing and certification to companies worldwide.

In response to the Covid-19 pandemic the Company announced on 23 March 2020 that it was exploring all possible ways that the Company's technology could be used to alleviate the effects of the pandemic.

Directa has had to adapt working patterns, including changes to the use of office and laboratory space, to help prevent the further spread of Covid-19. The Group's graphene manufacturing operations and headquarters are located in Lomazzo in the Lombardy region of Northern Italy, which was one of the earliest affected areas for Covid-19.

By 19 June 2020, the Company was able to announce that the work it had undertaken in response to Covid-19 had led to the development of G+® graphene enhanced facemasks, branded *Co-mask*™, and their availability for retail sale at a new, dedicated website: https://graphene-plus.com/. This product has proven very popular, with orders received by the publication of this report totalling over €400,000, including 25,000 units by a leading Italian luxury sportscar manufacturer.

The Company is proud to have been able to respond to a global crisis by quickly developing a product that we hope will help a large number of people. Therefore it was very pleasing that the anti-viral properties of the *Co-mask*™ were confirmed in August 2020 by a team at the Department of Neuroscience, Catholic University of Rome, operating in conjunction with the Gemelli Hospital in Rome. Tests showed that G+® graphene can improve textile properties and significantly reduce the measured incidence of SARS-CoV-2 when the virus is deposited or filtered through functionalised cotton or a non-woven fabric (polyurethane). A scientific paper containing the full details of the trial and the results is underway and is expected to be published shortly.

On 10 August 2020 the Company announced the signing of a new collaboration agreement with Poltrona Frau S.p.A, a global leader in high-end furniture manufacture for residential, bespoke and commercial use. The agreement is for an initial two years with the aim of developing a new sustainable and high-tech leather enhanced by the properties of Directa Plus's proprietary graphene technology. It is anticipated that G+® enhanced leather will provide antimicrobial and antiviral properties, improved thermal regulation, electrical conductivity, and mechanical properties such as abrasion resistance and UV resilience.

Composites and Elastomers

A six-month trial was announced on 8 January 2020 that hasseen graphene enhanced asphalt used for the first time at an Airport. The asphalt additive Gipave®, developed by Directa Plus and Iterchimica and containing the Company's G+ graphene, was installed at taxiway Alpha Alpha at Rome's Fiumicino airport. The project is in collaboration with G.ECO S.r.l., part of Italy's largest multi-utility company Gruppo A2A, and the University of Milan-Bicocca.

January also saw the signing of an agreement between Directa Plus and Comerio Ercole SpA to pursue joint research and development projects using the Company's G+ technology to develop products in the rubber and tyres, plastic and non-woven materials industries.

April 2020 saw the announcement of an agreement with established industrial partner, Iterchemica, for the supply of a special grade of the Company's G+ graphene product, known as ITC1, the graphene modifier component of the jointly developed Gipave® road surface. The Agreement provides for the exclusive supply of the G+ graphene product to Iterchimica in the asphalt and bitumen sector worldwide and is for an initial duration of three years, with growing interest from potential customers in Italy, the UK, and the United States.

Another road trial of Gipave® was announced on 25 June 2020, in this instance in Kent, United Kingdom. The results of the trial will give further confidence to potential purchasers.

On 4 August 2020 the new San Giorgio Bridge in Genoa was opened by the President of Italy, Sergio Mattarella. The new bridge, replacing the old Morandi Bridge structure that collapsed on 14 August 2018, was completed just 22 months after the disaster to designs by Genoa born Renzo Piano. The road pavement on the bridge were constructed using the Gipave® asphalt supermodifier, jointly developed by Iterchimica and Directa Plus.

Additional industrial verticals

Directa made its first move into automotive design, in July 2020, signing a technical and commercial agreement with Italdesign S.p.A, a global leader in automotive design and engineering. Part of Volkswagen AG, Italdesign also specialises in styling, engineering, prototyping and testing services, and the manufacture of ULSP (ultra-low series production) vehicles. The agreement will allow Directa and Italdesign to jointly develop automotive components enhanced by Directa Plus's graphene expertise.

Intellectual Property

On 27 April 2020 Directa Plus was granted an EU-wide patent covering the use of its graphene based Grafysorber® technology for treating waters and sludges contaminated by hydrocarbons.

On 26 May 2020 the Company was granted an Italian patent for its Planar Thermal Circuit® invention. The patent covers the use of the G+® graphene circuit applied onto fabrics of any type and which is able to absorb body heat and move it from the hottest to the coldest point of the circuit, providing a significantly increased sense of comfort to the wearer or user.

On 22 June 2020 Directa Plus announced that the Company had been granted its sixth Chinese patent, covering the use of the Company's G+® graphene technology for bicycle, motorcycle and passenger car tyres as well as truck and bus radial tyres, specifically the tyre treads.

Post-period end, on 30 July 2020, Directa was granted a patent by the Italian Patent Office for the Company's G+® graphene to improve the performance of rubber-based shoe outsoles. The patent covers both the formula containing G+® and the outsole made with the formula.

The Group's current patent portfolio is comprised of 37 patents granted plus 23 patents pending.
Directa Plus recently published a Scientific paper on Applied Polymer Science, certifying the G+® nanoplatelets morphology in compliance with ISO/TS80004-13:2017. One more paper covering the antiviral properties of G+® treated fabrics is about to be submitted.

Financial

Revenue from product and service sales for the six months to 30 June 2020 increased by more than 200% to €2.81 million (1H2019: €0.89m), driven by the Environmental sector which counts for almost 80% of the total Group revenue. The acquisition of Setcar, finalised in November 2019, has clearly played a key role in driving the revenue increase, contributing €2.12 million in H12020. Textiles industry is the second largest contributor to Group revenue counting for approximately 19%. Raw material and consumables used at €0.68 million (1H2019: €0.61) is mainly correlated with the revenues derived from the textile industry which require the purchasing of fabrics. Employee benefits expenses increase at €1.65m (1H2019: €0.98m) with €0.73 related to Setcar. Netting the effect of Setcar, the Employee benefit expenses is equal to €0.93m and is in line with the first six months 2019.

Other expenses increased to €1.93m (1H2019: €0.89m). The increase is driven by the other expenses related to Setcar which includes third parties services such as transportation and environmental services.

EBITDA loss was €1.47m, in line with the previous comparable period (1H2019: loss of €1.45m). Setcar contributes to reducing the Group EBTIDA loss with a positive impact of €0.06m.

EBITDA (€m)	**1H 2020**	**1H 2019**
Result from operating activities	(2.17)	(1.82)
Depreciation and amortisation	0.70	0.37
EBITDA	**(1.47)**	**(1.45)**

Depreciation and amortisation increased to €0.70m (1H2019: €0.37m) mainly as an effect of the fair value revaluation of the assets of Setcar performed post-acquisition that impact the depreciation and amortisation costs for €0.24m.

Net finance expenses at €0.31m (1H2019: net finance income of €0.04m) are mainly due to the exchange losses on cash and cash equivalents as an effect of the movement of Sterling against Euro on Sterling deposits. This does not represent a cash outflow.

Adjusted Loss after tax (as detailed in the table below) €1.95.m (1H2019: adjusted loss after tax of €1.83m) Loss after tax was at €2.45m (1H2019: loss of €1.78m).

Adjusted Loss after tax (€m)	**1H 2020**	**1H 2019**
Loss after tax	(2.45)	(1.78)
Depreciation and amortisation referred to revaluation of acquired assets	0.24	-
Exchange rate variances	0.26	(0.05)
Adjusted Loss after tax (€m)	**(-1.95)**	**(1.83)**

An investment in tangible and intangible assets of €0.21m was incurred during the period, which mainly related to the capitalisation of development costs referred to Co-Mask project (€0.11m).

Cash at period end was €7.4m (€10.9m as at 31 December 2019). The Directors are satisfied that the Group has adequate resources to continue in operational existence at least 12 months from approving these interim financial statements.

Outlook

Directa Plus is continuing to make significant progress within each of its key verticals, as its commercialisation strategy increasingly proves to be the correct path. The Environmental vertical is an excellent example. Having developed industry leading technology and demonstrated the added value it generates, the Group then successfully identified an industrial partner and invested together to build a reliable and growing revenue stream.

The Group's work with Iterchimica on Gipave® is on a similar trajectory and, as the number of real world use cases increases, the Board is confident that customer orders and material revenue will follow.

This is the strategy that the Company will continue to adopt in other verticals and some of the partnership agreements Directa Plus has signed in this period alone are highly promising. Working with world leading companies to develop and bring to market world leading products is at the heart of what Directa Plus does.

The work on *Co-Mask*™ demonstrates that, leveraging the enabling properties of G+® Graphene and the Group's IP, it can quickly adapt to changing external circumstances and use its technology to rapidly bring new products through the design and fabrication to sale. While Directa Plus is not necessarily looking to repeat this immediately it shows the strengths of the Group's strategy and the versatility of employees.

The effects of Covid-19 are still unpredictable, and whether the global economy is through the worst is unclear but the Group remains in a strong position to grow and invest.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

In euro	Note	(Unaudited) 30 Jun 2020	(Unaudited) 30 Jun 2019	Audited 31 Dec 2019
Continuing operations				
Revenue		2,807,066	894,693	2,631,819
Other income		53,462	52,879	183,033
Changes in inventories of finished goods and work in progress		(68,693)	90,350	87,537
Raw materials and consumables used		(682,321)	(612,532)	(1,185,360)
Employee benefits expenses		(1,651,111)	(980,007)	(2,148,923)
Depreciation and amortisation		(702,406)	(369,522)	(837,055)
Other expenses	2	(1,929,054)	(892,911)	(2,286,054)
Results from operating activities		**(2,173,057)**	**(1,817,050)**	**(3,555,002)**
Finance expenses income (expenses)		(312,843)	38,160	128,563
Net finance costs		**(312,843)**	**38,160**	**128,563**
Loss before tax		**(2,485,900)**	**(1,778,890)**	**(3,426,439)**
Tax expense		36,260	-	25,225
Loss after tax		**(2,449,640)**	**(1,778,890)**	**(3,401,214)**
Loss from continuing operations		**(2,449,640)**	**(1,778,890)**	**(3,401,214)**
Loss of the period		**(2,449,640)**	**(1,778,890)**	**(3,401,214)**
Other Comprehensive income items that will not be reclassified to profit or loss				
Defined Benefit Plan remeasurement gains and losses		7,965	3,585	(12,802)
Other comprehensive income for the year (net of tax)		**7,965**	**3,585**	**(12,802)**
Total comprehensive income for the year		**(2,441,675)**	**(1,775,305)**	**(3,414,016)**
Loss attributable to				
Owner of the Parent		(2,321,885)	(1,778,030)	(3,585,215)
Non-controlling interests		(127,755)	(860)	184,001
		(2,449,640)	**(1,778,890)**	**(3,401,214)**
Total Comprehensive (expenses)/ income attributable to				
Owner of the Parent		(2,313,920)	(1,774,445)	(3,598,017)
Non-controlling interests		(127,755)	(860)	184,001
		(2,441,675)	**(1,775,305)**	**(3,414,016)**
Loss per share				
Basic loss per share		(0.04)	(0.03)	(0.07)
Diluted loss per share		(0.04)	(0.03)	(0.07)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

In euro	Note	(Unaudited) 30 Jun 2020	(Unaudited) 30 Jun 2019	Audited 31 Dec 2019
Assets				
Intangible assets		2,053,432	1,445,453	2,202,452
Property, plant and equipment		4,338,078	1,369,457	4,730,752
Trade and other receivables		112,306		109,698
Non-current assets		**6,503,816**	**2,814,910**	**7,042,902**
Inventories		1,022,425	952,634	1,095,936
Trade and other receivables		2,446,221	1,099,246	2,943,286
Cash and cash equivalent		7,491,014	4,760,951	10,906,076
Current assets		**10,959,660**	**6,812,831**	**14,945,298**
Total assets		**17,463,476**	**9,627,741**	**21,988,200**
Equity				
Share capital		190,996	161,815	190,512
Share premium		31,395,612	23,426,027	31,395,612
Retained Earnings		(19,977,696)	(15,795,062)	(17,652,179)
Equity attributable to owners of Group		**11,608,912**	**7,792,780**	**13,933,946**
Non-controlling interest		1,122,735	26,501	1,240,194
Total equity		**12,731,647**	**7,819,281**	**15,174,140**
Liabilities				
Loans and borrowings		-	28,395	-
Lease liabilities		376,495	348,878	439,690
Employee benefits		426,683	364,372	416,095
Other payables		65,763	-	196,690
Deferred tax liabilities		97,065	-	135,059
Non-current liabilities		**966,006**	**741,645**	**1,187,534**
Loans and borrowing		1,131,901	110,142	484,701
Lease liabilities		161,421	72,403	184,900
Trade payables and other payables		2,472,501	884,270	4,956,926
Current liabilities		**3,765,823**	**1,066,815**	**5,626,527**
Total liabilities		**4,731,829**	**1,808,460**	**6,814,061**
Total equity and liabilities		**17,463,476**	**9,627,741**	**21,988,200**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In euro	Share Capital	Share premium	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance at 31 December 2018	**154,465**	**22,104,240**	**(14,044,656)**	**8,214,049**	**27,361**	**8,241,410**
Total comprehensive (expense)/income for the year						
Loss of the Period	-	-	(1,778,030)	**(1,778,030)**	(860)	**(1,778,890)**
Total other comprehensive (expense)/income	-	-	3,585	**3,585**		**3,585**
Total comprehensive (expense)/income for the period			**(1,774,445)**	**(1,774,445)**	**(860)**	**(1,775,305)**
Capital raised	7,350	1,462,727	-	**1,470,077**	**-**	**1,470,077**
Expenditure related to the issuance of shares	-	(140,940)	-	**(140,940)**	**-**	**(140,940)**
Share-based payment	-	-	24,039	**24,039**	**-**	**24,039**
Balance at 30 June 2019	**161,815**	**23,426,027**	**(15,795,062)**	**7,792,780**	**26,501**	**7,819,281**
Total comprehensive (expense)/income for the year						
Loss of the Period	**-**	**-**	(1,807,186)	**(1,807,186)**	184,862	**(1,622,324)**
Total other comprehensive (expense)/income	**-**	**-**	(16,387)	**(16,387)**	-	**(16,387)**
Total comprehensive (expense)/income for the period	**-**	**-**	**(1,823,573)**	**(1,823,573)**	**184,862**	**(1,638,711)**
Capital raised	28,697	8,580,393		**8,609,090**		**8,609,090**
Expenditure related to the issuance of shares	-	(610,808)	**-**	**(610,808)**	**-**	**(610,808)**
Setcar non controlling interest of acquisition	-	-	-	**-**	1,028,831	**1,028,831**
Translation reserve	-	-	4,147	**4,147**	**-**	**4,147**
Share-based payment	-	-	(37,690)	**(37,690)**	**-**	**(37,690)**
Balance at 31 December 2019	**190,512**	**31,395,612**	**(17,652,178)**	**13,933,946**	**1,240,194**	**15,174,140**
Total comprehensive (expense)/income for the year						
Loss of the Period	**-**	**-**	(2,321,885)	**(2,321,885)**	(127,755)	**(2,449,640)**
Total other comprehensive (expense)/income	**-**	**-**	7,965	**7,965**	-	**7,965**
Total comprehensive (expense)/income for the period			**(2,313,920)**	**(2,313,920)**	**(127,755)**	**(2,441,675)**
Capital raised	484	**-**	**-**	**484**	**-**	**484**
Translation reserve	-	-	(11,598)	**(11,598)**	**-**	**(11,598)**
Acquisition of Directa textile Solutions non controlling interest	-	-	-	**-**	10,296	**10,296**
Balance at 30 June 2020	**190,996**	**31,395,612**	**(19,977,694)**	**11,608,912**	**1,122,735**	**12,731,647**

CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2019

	(Unaudited) 30 Jun 2020	(Unaudited) 30 Jun 2019	Audited 31 Dec 2019
Loss for the year before tax	(2,485,900)	(1,778,890)	(3,426,439)
Adjusted for:			
Depreciation	406,674	211,322	452,309
Amortisation of intangible assets	295,529	158,200	384,746
Share based option payment cost	-	24,039	(13,652)
Finance income	(1,808)	(1,968)	(164,535)
Finance expense	314,624	(36,193)	35,829
Operating cash flow before working capital changes	**(1,470,881)**	**(1,423,490)**	**(2,731,742)**
Decrease / (Increase) in inventories	68,693	(90,350)	(79,451)
Decrease / (Increase) in trade and other receivables, prepayments	496,235	959,971	240,963
(Decrease) / Increase in trade and other payables	(722,081)	(1,276,236)	(714,799)
Increase / (decrease) in provisions and employee benefits	15,404	28,874	59,342
Net cash used in operating activities	**(1,612,630)**	**(1,801,231)**	**(3,225,687)**
Cash flows from investing activities			
Interest received	1,808	1,968	2,874
Investment in intangible assets	(146,872)	(107,498)	(232,546)
Net cash arisen from business acquisition	-	-	(137,345)
Dividend paid (as part of the consideration of Setcar acquisition)	(1,902,381)	-	-
Acquisition of property, plant and equipment	(67,303)	(24,620)	(161,589)
Net cash used in investing activities	**(2,114,748)**	**(130,150)**	**(528,606)**
Cash flows from financing activities			
Proceeds from Capital raise	23,006	1,470,077	10,079,167
Expenditure related to the issuance of shares	-	(140,940)	(751,747)
Interest Paid	(18,586)	(11,736)	(9,773)
New Borrowings	872,250	-	-
Repayment of borrowings	(217,288)	(180,833)	(190,193)
Interest of lease liabilities	(7,143)	-	(16,124)
Repayment of lease liabilities	(80,477)	-	(115,133)
Net cash generated from financing activities	**571,762**	**1,136,568**	**8,996,197**
Net increase in cash and cash equivalent	**(3,155,616)**	**(794,813)**	**5,241,904**
Effect of exchange rate changes	**(259,446)**	**51,880**	**160,548**
Cash and cash equivalents at beginning of the period	**10,906,076**	**5,503,884**	**5,503,884**
Cash and cash equivalents at end of the period	**7,491,014**	**4,760,951**	**10,906,076**

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

1. Basis of preparation

(a) Statement of compliance

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

The financial information for the six months ended 30 June 20 is unaudited. In the opinion of the directors, the financial information for the period fairly represents the financial position of the Group. Results of operations and cash flows for the period are in compliance with International Financial Reporting Standards as adopted by the EU ('EUIFRS'). The accounting policies, estimates and judgements applied are consistent with those disclosed in the Group's statutory financial statements for the year ended 31 December 2019. 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 2019.

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 23 September 2020.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

The COVID-19 pandemic has had a significant, immediate impact on the global economies and on the operations and operational funding of participants in international supply chains.

The COVID-19 pandemic has not, to date, had a significant adverse impact on the Group's operations but the directors are aware that if the infection rate were to increase sharply again and the lockdown being prolonged then this may change.

Management believes that the Group has the systems and protocols in place to address these challenges. At the date of approval of interim results it is not clear how long the current circumstances are likely to last and what the long-term impact will be.

As at 30 June 20, the Group had net assets of €12.73m (31/12/2019: €15.17m) and cash and cash equivalent of €7.49m (31/12/2019: €10.91m).

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, until at least the end of 2021.

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. Results from operating activities

Other expenses include:

€	30 Jun 2020	30 Jun 2019	31 Dec 2019
Technical Consultancies	103,815	239,165	427,362
General Consultancies	591,340	362,539	762,122
G&A	132,677	93,612	192,506
Travel and marketing	96,215	106,731	264,679
Rent and Lease	47,596	33,337	77,153
Operating expenses	957,411	57,527	562,232
Total	**1,929,054**	**892,911**	**2,286,054**

As at 30 June 2020 other expenses is higher than 30 June 2019 due to Setcar operating costs.
Operating expenses are referred mainly to Setcar's third parties services such as disposal of non-hazardous waste and transportation.

3. Earnings Per Share

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

	Change in number of ordinary shares	Total number of ordinary shares	Days	Weighted number of ordinary shares
At 30 June 2017	-	**44,212,827**	**182**	**44,212,827**
At 31 December 2017	-	**44,212,827**	**366**	**44,212,827**
At 30 June 2018	-	**44,212,827**	**182**	**44,212,827**
At 31 December 2018	**4,256,000**	**48,468,827**	**365**	**44,376,071**
At 30 June 2019	**2,647,609**	**51,116,436**	**182**	**50,970,963**
At 31 December 2019	**12,530,156**	**60,998,983**	**365**	**52,973,511**
At 30 June 2020	**111,980**	**61,110,963**	**182**	**60,999,598**

Earnings per share

	30 Jun 2020	30 Jun 2019	31 Dec 2019
Loss for the year	(2,321,885)	(1,778,890)	(3,585,215)
Weighted average number of shares:			
- Basic	60,999,598	50,970,963	52,973,511
- Diluted	60,999,598	50,970,963	52,973,511
Loss per share			
- Basic	**(0.04)**	**(0.03)**	**(0.07)**
- Diluted	**(0.04)**	**(0.03)**	**(0.07)**

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