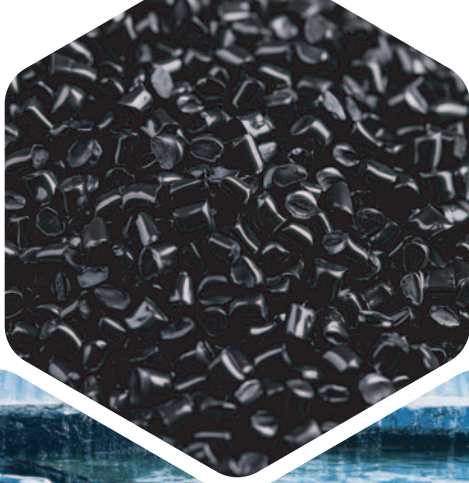


# Welcome to the Graphene Age



# About Directa Plus

## Discover how we are using graphene to help customers' revolutionise the performance of their products.

*Directa Plus is one of the largest producers and suppliers worldwide of graphene nanoplatelets-based products for use in consumer and industrial markets.*

Our graphene nanoplatelets-based products are natural, chemical-free and sustainably produced. Our production process is designed to meet large supply chains' requirements for volume, cost and quality control.

By incorporating Directa Plus's unique graphene blends, identified by the G+® brand, our customers can revolutionise the performances of their own end products in commercial applications such as textiles, composite materials and environmental solutions. We partner with our customers to enable them to offer the high-performance benefits of G+® in their own products.

Our company has a unique and patented technology process and a scalable and portable manufacturing model. We produce graphene nanoplatelets-based products at our own factory near Milan, Italy, and can set up additional production at customer locations to reduce transport costs, waste and time-to-utilisation. We are strongly committed to environmental sustainability and abided by a strong Code of Ethics in all aspects of our business practice.



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# Financial highlights

- + Product sales and service revenue at €6.66m (2023: €10.53m), impacted by temporary delays in key customer orders and contract awards in the Environmental Remediation and Textiles divisions, as well as the exit from some selected lower-margin contracts
- + Total income (including grants) at €6.83m (2023: €10.86m)
- + Adjusted LBITDA\* increased by 42% to €3.64m (2023: €2.56m), driven by lower revenues, offset in part by continued cost control and improved production efficiencies
- + Loss before tax increased by 25% to €5.37m (2023: €4.31m)
- + Reported (basic) loss per share stable at €0.06 (2023: €0.06)
- + Cash and cash equivalents at year end of €4.98m (2023: €2.39m), significantly strengthened by the capital raise completed in June 2024
- + Total patents granted at year end of 106 (2023: 86)

\* Adjusted EBITDA loss represents results from operating activities before tax, interest, depreciation and amortisation, adjusted by one-off expenses, one-off provisions, inventory write-offs, non-recurring legal expenses and onerous contract provision (details in the CFO statement).

€6.66m

Product sales and service revenue impacted by temporary delays in key customer orders and contract awards (2023: €10.53m)

€6.83m

Total income (including grants) (2023: €10.96m)

€4.98m

Cash and cash equivalents at year end strengthened by the capital raise completed in June 2024 (2023: €2.39m)





# Chairman's statement



**"FY24 was a year of transformation and strategic alignment for Directa Plus. We streamlined our operations, strengthened our environmental division, and entered FY25 with solid commercial traction and a clear path toward sustainable growth."**

## Overview

FY24 was a challenging year for the Group. Whilst we didn't meet our initial revenue expectations, due to short-term headwinds, including delayed customer decision-making and geopolitical uncertainty, which ultimately extended timelines on the award of key contracts across the Environmental Remediation and Textiles divisions, we continued to make good strategic progress. These headwinds deferred contracts into FY25, resulting in product and service revenue of €6.7 million (2023: €10.5 million) and adjusted LBITDA of €3.6 million (2023: €2.6 million). The revenue decline was exacerbated also by our decision during the year to cease significant low margin service activities in favour of a focus on higher margin, higher value-added services, including our Grafysorber® technology.

During the year the team worked hard to deliver against our four strategic pillars across each of our key verticals. In particular, strong progress was made in reducing production costs and streamlining our operations, and in reinforcing our position in key markets, such as Environmental Remediation and Textiles. The Group has now secured its initial target of €0.5 million of annualised cost savings, which will be realised in the current financial year. In addition, we have established a new production team that is now working on modifying our production line, aimed at further increasing productivity and ensuring greater operational flexibility at significantly lower direct production costs, further supporting the foundations for future growth.

The year also saw the completion of a successful capital raise and the acquisition of full majority control of Setcar, two key developments for the Group that will help accelerate our growth and unlock future shareholder value.

After the headwinds experienced in FY24, it is pleasing to report that trading in FY25 has shown a strong recovery, with Q1 revenues of approximately €2 million, up c. 40% on the same period in 2024, primarily driven by several contract renewals across the Environmental Remediation and Textiles divisions, including with Grassi, Ford Otosan, Cummins and Metchem. The Group's current order book is healthy, providing improved visibility, and the Board is confident of meeting FY25 market expectations.

## Delivering on our strategy

We remain focused on delivering across the four pillars of our growth strategy: a unique, low-cost graphene production process; the manufacture of pristine graphene nanoplatelets free of chemical pollutants and tailored to customers' needs; a reduced time to market for new products, benefitting from considerable accumulated knowhow and strong IP; and market reach leveraged through carefully assessed partnerships.

In line with our strategy, the Group has successfully built a significant pipeline of opportunities and tenders across all its verticals.

In June 2024, we successfully completed a £6.9m capital raise to invest further in the delivery of the Group's strategic growth plan, and to fund the €1.5 million acquisition of the c. 49% minority holding in Setcar, bring our total shareholding in our environmental services subsidiary to 99.95%. I would like to thank all shareholders who participated in the fundraise for their support of the Group and the next phase of development.

Since the acquisition, significant improvements have been implemented to better align Setcar's operations with the Group's strategy and culture, increase efficiency and to position the business to capture and deliver on the pipeline of environmental opportunities ahead.

The graphene market is forecast to grow at pace in the coming years, with Fortune Business Insights estimating the market to reach over \$5 billion by 2032. This growth is driven by increasing demand for advanced materials in industries like electronics, energy, and automotive and we believe that Directa Plus is well positioned to capitalise on this market momentum.

## Sustainability

Directa Plus's product is chemical free and involves a low energy consumption production process. As businesses across all sectors are progressively turning towards more sustainable solutions, our graphene technology can confer material improvements in the performance and sustainability of our customers' products. Our Grafysorber® technology, which is fast gaining traction, substitutes for the use of oil-based products and can be advantageously applied to oil and chemical decontamination, produced water and steel mill wastes.

We have built a strong and dedicated team to drive the growth of the business, and we recognise the value in supporting our employees to both maintain the ethos of the business and achieve the best return on effort. The Board remains committed to pursuing good corporate governance and understands its importance in promoting the long-term growth of the business.

## CEO succession

The Group's Founder and Chief Executive Officer, Giulio Cesareo, has confirmed that he would like to step back from his CEO role, effective by the 2026 AGM. Giulio has been the driving force for the development of the Group since its foundation in 2005, taking a unique graphene production process from the drawing board to commercialisation, with significant recurring contracts and future opportunity. The Board will be looking at appropriate succession planning over the coming 12 months and Board changes to ensure that the Group is able to continue to benefit from Giulio's knowledge, expertise and customer contacts into the future. Further announcements will be made as and when appropriate.

## Summary and looking ahead

Whilst the Group's financial performance in FY24 was lower than expected, the Group has entered FY2025 with renewed optimism and stronger trading as we look to recover our growth path. The management team has worked effectively to ensure we have the right strategy and building blocks in place to capture the significant opportunities ahead and to deliver value across our growing network of partners and customers.

Looking ahead, we remain committed to reducing our cost base and increased operational efficiencies, with prioritisation being given to investments directly linked to short term returns. With the increased traction in graphene technology and its applications globally, I am confident we are well placed within the market.

**Richard Hickinbotham**  
Non-Executive Chairman  
2 June 2025

## At a glance

Our graphene nanoplatelets-based products are natural, chemical-free and sustainably produced. Our production process is designed to meet large supply chains' requirements for volume, cost and quality control.

Our vision is to produce nanoplatelets-based products that are natural, chemical-free and sustainable.

### G+® Technology

Under our G+® brand, we offer a range of graphene nanoplatelets-based products - either ready-to-use or custom-blended to meet customers' specific technical requirements.

### Benefits of our products

- Chemical-free
- Consistent quality
- Certified as non-toxic
- Taylor-made particles shape
- High purity
- Abundant, safe and non-toxic raw material

### Target vertical markets

1

#### Environmental remediation

Using our Grafysorber® technology to help the oil & gas industry to tackle environmental issues from hydrocarbon pollution.

2

#### Textiles

Printing our nanoplatelets on fabrics, and enhanced membranes for the sports, luxury, fashion, workwear and military markets.

3

#### Other verticals

Exploring and launching a wide range of other applications for our technology such as composites, paints and batteries.



## Investment case

**Our vision** is to continue to be at the frontline of graphene innovation globally: developing what is possible today and evolving graphene technology for our industrial partners and customers of the future.

**Our mission** is to deliver the best quality graphene at the best possible price in the most sustainable way, whilst supporting the industrialisation of existing and new vertical applications.

Why invest?

### Why invest?

#### 1 Unique graphene production process and strong IP

- We have a unique and proven process to produce pristine, chemical free graphene nanoplatelets, tailored to our partners' and customers' requirements, which is both flexible and scalable.
- We have strong IP and our portfolio now comprises 22 patent families with 106 granted and 33 pending and we continue to grow the portfolio.

#### 2 Delivering a pristine quality product at the best price

- Directa Plus has developed a proprietary process that creates value-added materials from graphite; from unique 3D materials to highly two dimensional (large surface area) single layer graphene platelets.
- This "top down" production process is unique, patented, low cost and environmentally friendly, employing no chemicals and only physical processes for the separation and exfoliation of graphene-based materials.

#### 3 Proven go-to-market strategy

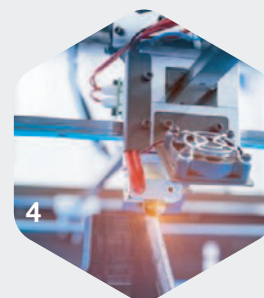
- Our competitive time to market ensures an efficient process to deliver for customers.

#### 4 Partnership with leading companies deliver outstanding products

- Directa Plus has benefitted from an early mover position in the commercial production and supply of graphene materials and solutions.
- Many commercial partners through which products can be purchased in multiple verticals including environmental remediation, oil/water separation, bicycle tyres, textiles, asphalt, paints, amongst others.

#### 5 Unique graphene production process and strong IP

- Significant growth opportunity across diverse applications and vertical markets.
- We have developed a platform technology that creates graphene-based semifinished products applicable to many applications.



1. Planar Thermal Circuit® applied to a cycling technical shirt.

2. Bike tire enhanced with G+® which assures a rolling resistance without compromising grip.

3. G+® outsoles significantly improve durability and elastic response while maintaining grip.

4. The G+® technology exploit remarkable properties in a wide range of extruded moulded items. We developed ready-to-use master batches, PLA filament (Grafylon®) and a high-performance PA filament (Radilon®).

**“A year in which we consolidated the Group and laid the groundwork for sustainable growth. Now well-positioned to capitalise on future opportunities as market conditions stabilise.”**

Giulio Cesareo, Founder and CEO of Directa Plus



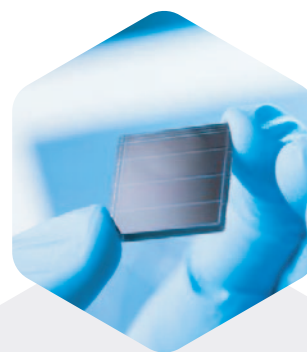
### **Environmental Remediation** 79% of revenue (2023: 69%)

- Acquired a further 49% stake in Setcar taking the Group's holding to 99.95%, following which Directa Plus has appointed a new board and general manager, and has set about significantly improving operational efficiencies within Setcar
- Post period, secured a number of new contract wins and renewals, including a further renewal with FORD Otosan and a new contract signed with MIDIA International
- Resumed activities with OMV Petrom for the decontamination of sludges using Grafysorber® and signed a €1.6 million contract extension post period end in April 2025



### **Textiles** 20% of revenue (2023: 30%)

- The European textile market continued to be challenged by weaker consumer spending, resulting in a slowdown in revenues, although there are some signs of a recovery, supported by a stabilisation in inflation
- Continued to work with major workwear, defence and fashion brands, seeing growing demand for the Group's technical product enhancements globally and increasing interest for the properties of G+® graphene



### **Operational updates**

- Secured c. €0.5 million of targeted annualised cost savings across the Group, which will be reflected in FY2025
- Competitive position improved with enhancements to the production line, including replacing argon gas for nitrogen gas, providing significant cost savings and environmental benefits
- Renewed production team, now working on a remodelling of the production line aimed at further increasing productivity and ensuring greater operational flexibility at lower direct production costs
- R&D capabilities strengthened to better align with evolving market needs and to drive innovation

## **Outlook**

- Trading in Q1 FY2025 has been robust, with revenues of approximately €2 million, up c. 40% on from the same period in 2024, primarily driven by several contract renewals across the Environmental and Textiles divisions, including with Grassi, Ford Otosan, Cummins and Metchem
- Current order book stands at approximately €7 million for FY2025, supported further by a good pipeline of opportunities
- Setcar is progressing well, with an initial agreement with Midia International SA, worth up to \$1.5 million, signed in February 2025, and a €1.59 million contract extension with OMV Petrom, for the use of Directa Plus's patented Grafysorber® technology to treat oil sludges, emulsions, and contaminated water
- Momentum building with new contract wins and renewals, and a clear focus on reducing the Group's cost structure. The Board is confident in achieving results for FY25 in line with market expectations





**Graphene is the name given to a single plane of carbon atoms, arranged in a honeycomb structure. It is the building block of natural graphite.**

Graphene is two-dimensional but only one atom thick, thereby making it the thinnest two-dimensional material in the world. It has extremely high tensile strength, electrical conductivity and transparency and is incredibly light. Due to these characteristics and the way it operates as a super-additive, graphene enhances the properties of the materials to which it is added or gives them new characteristics.

**Currently on the market there are two different approaches to produce graphene:**

Nowadays there are many different graphene families on the market, with totally different physico-chemical feature as well as different target markets.

The main families are:

### Top-down approach

*Starting from natural graphite, by means of physico-chemical exfoliation methods*

**Graphene nanoplatelets - physical exfoliation**

Main markets: Special additive for environment, textile, polymers, asphalt, concrete, coating, energy, etc.

**Graphene oxide - chemical exfoliation**

Main markets: Polymers, sensors

Main markets: Electronics, flexible electronic, sensors

**Monolayer graphene - chemical vapour deposition**

*Synthesis method by means of chemical vapour deposition*

### Bottom-up approach

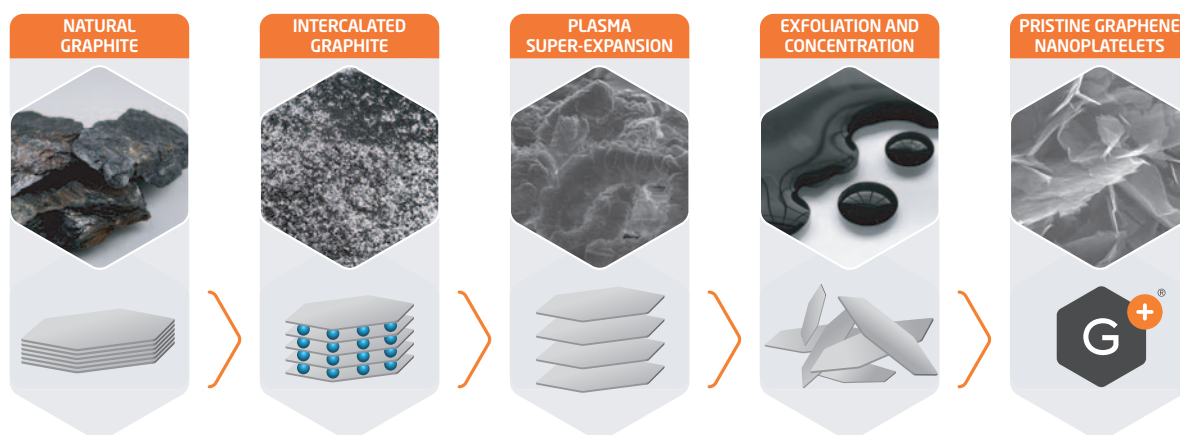
Directa Plus uses a multi-step patented top-down method to produce G+<sup>®</sup>, a process that does not involve the use of chemicals nor solvents and is only based on physical treatments of natural graphite.

The process is therefore extremely sustainable, and the output products are free from contaminants.

G+<sup>®</sup> is the purest and most crystalline form of Pristine Graphene Nanoplatelets: every gram of graphite is directly transformed into a gram of Graphene Plus.

What is graphene?

### G+<sup>®</sup> production process



Directa's process can generate different graphene morphologies (several graphine families, different lateral dimension and thickness, different density and physical forms) to satisfy totally different markets.



**Directa Plus has developed a proprietary scalable, modular manufacturing process to produce and supply high quality engineered graphene materials - marketed under its 'Graphene Plus' (G+®) brand - which can be used by third parties in a wide variety of industrial and commercial applications.**

## Our core values

### 1 DIVERSITY

Directa Plus has always invested in diversity. The desire to differentiate ourselves has been reflected over the years in our product: G+® Graphene Plus, a unique and inimitable creation whose main features are its purity and sustainability. The uniqueness of this material, in all its forms, comes directly from the production method: at Directa Plus we transform every single gram of graphite into a gram of graphene, through a process based entirely on the principles of physics, without any chemical processing

### 2 QUALITY

Graphene Plus is a different material, unique and absolutely pure. In order to guarantee the highest quality of our products and of the services we provide, Directa Plus has developed innovative working methods, and we have organised the Advanced Development Area, a lab specialised in the applications of G+® graphene.

### 3 SAFETY

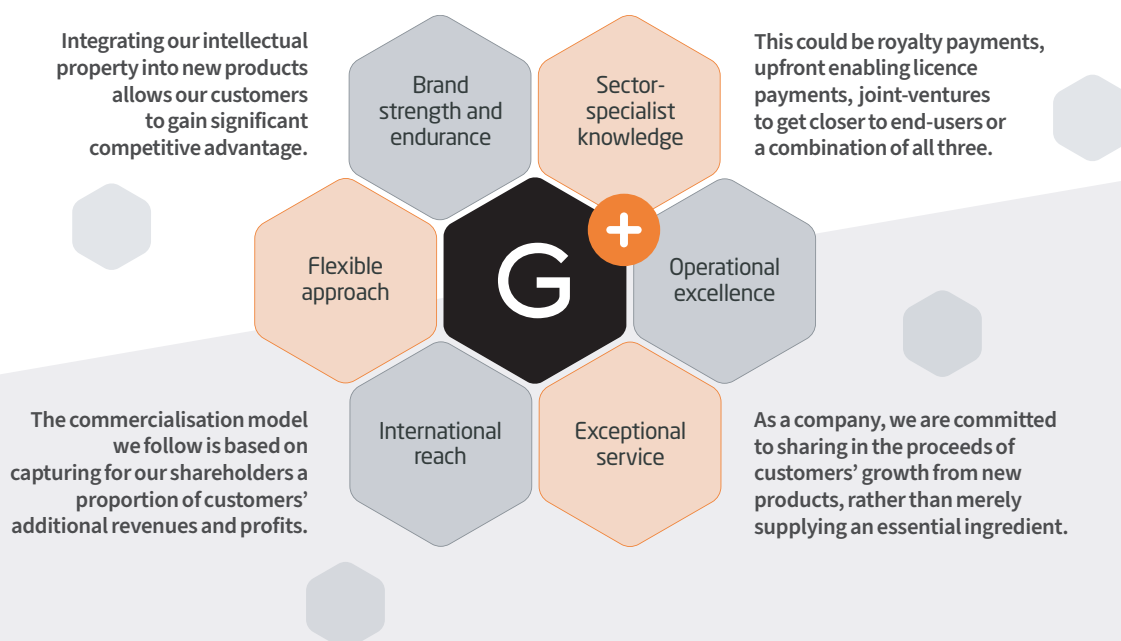
For Directa Plus, safety has always been a core value. Over the years we have invested effort and resources in the creation of a material that is able to ensure maximum safety, both for those who use it and for those who work on it. The safety of our G+® graphene is proven by the independent certifications of non-toxicity and non-cytotoxicity of all G+® products.

## Business model

Directa Plus has a unique and proven process for the production of pristine, chemical free graphene nanoplatelets, tailored to our partners' and customers' requirements, which is both flexible and scalable. Production is located at our factory near Milan, Italy, and we have a Grafysorber® production unit in our subsidiary Setcar in Romania, but can also be set up at customer locations to reduce transport costs, waste and lead times.

We are strongly committed to environmental sustainability and abide by a strong Code of Ethics in all aspects of our business practice.

We create value through partnering with leading industrial entities with large international footprints that provide significant growth opportunities, but also important reference customers to support the roll out of graphene enhanced products and services globally. The success of this strategy can be seen in our progress in the environmental remediation and textiles markets, and other areas where we see great potential.



## ESG

**Environmental, Social and Governance considerations are an important part of what drives Directa Plus' business, with a strong commitment to a sustainable business, minimising our impact on the environment, social values and collaborative working practices and governance aligned with the QCA Governance code in parallel with a commitment to engagement with all stakeholders.**

**To further enhance our commitment to ESG, the Group is developing a more comprehensive sustainability plan with a commitment to delivering a more detailed sustainability strategy.**



### Environment

Graphene Plus is a unique product, produced in a unique and sustainable way; G+® products are obtained through a proprietary patented process based on the physical transformation of natural graphite: (i) water-based process, (ii) no chemistry, (iii) high purity, (iv) zero discharge of hazardous chemicals.

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. We are constantly assessing our production processes, working with recognised environmental organisations to ensure the safety and sustainability of our products. Our method of producing G+® always uses low energy consumption and low waste generation, making the entire process environmentally friendly.

With regards to our commercialisation strategy, it is our mandate to only work 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.

Environmental remediation is a key division at the heart of this and we have been ISO 14001 certified since 2016.

Since 2021, Directa Plus has been awarded with the Green Economy Mark from the London Stock Exchange, with over 70% of revenue contributions derived from the Environmental Remediation division.

### Social

The Board considers one of its key stakeholder groups to include its workforce and make efforts to support our employees where possible. We are a responsible employer and carefully consider all aspects of employee rights, equal opportunities, health and safety at work and training and education. We also have a remuneration policy, intended to attract, retain and motivate high calibre executives to deliver outstanding shareholder returns and at the same time maintain an appropriate compensation balance with the other employees of the Group.

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.

### Governance

The Board fully supports good corporate governance and recognises that it enhances its decision-making processes by improving the success of the Company and increasing shareholder value over the medium to long-term.

The Company complies with the Quoted Companies Alliance corporate governance code (the "QCA Code") and the Directors propose that the Company should continue to do so having regard to the Company's size, board structure, stage of development and resources.

### ESG rating

Directa Plus has embarked on the development of a full ESG Strategy and has engaged Integrum, an independent ESG ratings agency. With the objective to gather initial data upon which the Company can enhance its ESG reporting and practices for transparency for all stakeholders.

Integrum assessed and scored the company against robust frameworks including the SASB framework, Minerva Analytics and the Cambridge Impact Framework (latter against the UN Sustainability Goals).

Measures including managing greenhouse gas emissions and waste consumption were assessed as well as the company's policy on incorporating ESG concerns into Directa Plus' products and services and managing risk from government regulations and policy proposals that address social factors affecting the industry.

The Company was then ranked relative to specific sub-sector peers and an overall score, and rating was applied. The Company was given a 'B' rating.

Sustainable business



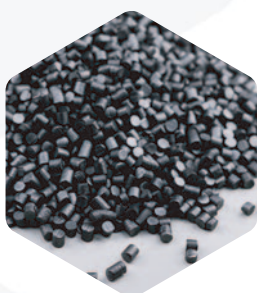
# Chemical free production process

## G+® Technology

We offer a range of graphene nanoplatelets-based products – either ready-to-use or custom-blended to meet customers' specific technical requirements.

### Benefits of our products:

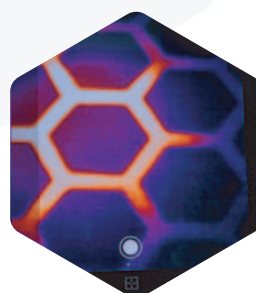
- + Chemical-free
- + Certified as non-toxic
- + High purity
- + Taylor-made particles shape
- + Abundant, safe and non-toxic raw material



## Patented, modular process

Our production process uses a unique technique we call Plasma Super Expansion. Starting from natural graphite, each step of the process – expansion, exfoliation and drying – creates graphene nanoplatelets-based materials ready for a variety of uses and available in different forms such as powder, liquid and paste.

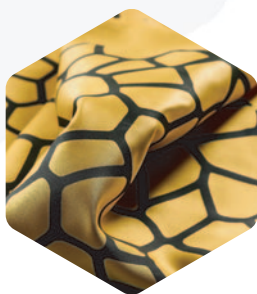
Our production process produces a highly consistent graphene nanoplatelets product – an important factor for commercial customers – and does not need any chemical or solvent additives.



## Tailor-made for customer needs

When used in consumer and industrial applications, G+® enables end-products to perform better while remaining affordable.

We partner with customers to develop bespoke graphene blends that have just the right morphology for their particular application. We produce the precise ingredient to make our customer's product stand out from the competition.



## Scalable, portable production

Our factory near Milan can produce industrial quantities of graphene nanoplatelets-based products each year to supply large supply chains.

In addition, we can set up production directly at customer locations, thus adding scalable capacity and reducing transport costs, waste and time-to-utilisation.



Our production process produces a highly consistent graphene nanoplatelets product – and important factor for commercial customers – and does not need any chemical or solvent additives.

# Chief Executive Officer's review



**Giulio Cesareo** CEO

**"Following a challenging FY24, we have reshaped our operations and are now seeing tangible commercial progress as we enter FY25 with renewed confidence."**

## €6.66m

Directa Plus delivered revenues for FY24 of €6.66m.

## €4.98m

Cash and cash equivalents at year end of €4.98m (2023: €2.39m), significantly strengthened by the capital raise completed in June 2024

## 106 patents

Total patents granted at year end of 106 (2023: 86)

FY24 presented the Group with challenges that the Board has responded to by strengthening the Group and laying the groundwork for sustainable future growth. As a result, we are more confident that Directa Plus is well-positioned to capitalise on future opportunities as market conditions stabilise.

Our strategic shift towards prioritising higher margins and value-added services resulted in lower revenues in the year. Alongside this, we continued to encounter operational challenges and delays in securing key contracts within our Environmental Remediation and Textiles divisions. These issues carried over into the second half of the year, leading to financial performance for FY24 that was below our initial expectations.

Despite external pressures, we made tangible progress in areas core to our long-term strategy – from technology deployment and operational streamlining, to reinforcing our position in key markets such as Environmental Remediation. The successful capital raise and the full acquisition of Setcar are two significant milestones that will help accelerate our strategic agenda and unlock further value.

As part of strengthening the Group for future growth, we completed a £6.9m capital raise in mid-2024 to support investment in line with our strategic plan to accelerate the Group's path to profitability. Since the full acquisition of Setcar, we have made considerable headway, securing operational efficiencies, including a headcount reduction, and the appointment of a new subsidiary board. Importantly we have also recruited a new General Manager, who brings over 15 years engineering experience internationally and will play a crucial role in ensuring Setcar is positioned for growth through improved focus and leadership. In line with this reorganisation, there is a process for further senior appointments in place, including a new Sales Director, to strengthen commercial capabilities.





**1. PATENTED PRODUCTION PROCESS:** We have been restructuring the manufacturing and R&D teams, maximising the benefits of Directa Plus' technology and production process to deliver more effective, scalable and customer-oriented solutions.

**2. BATTERIES:** Collaborating with partners specialised in the research, development, and later manufacturing and sale of next-generation lithium-ion batteries, by providing G+® technology as a key component.

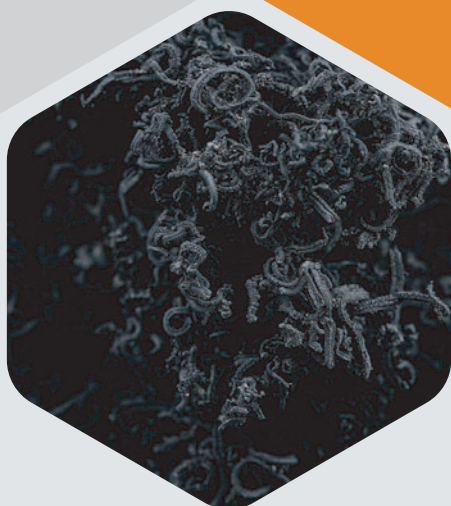
**3. OTHER APPLICATIONS:** We continue to invest in R&D to further adapt and refine our G+® technology for additional application areas such as elastomers, paints, cements and air filtration systems.



£6.9m

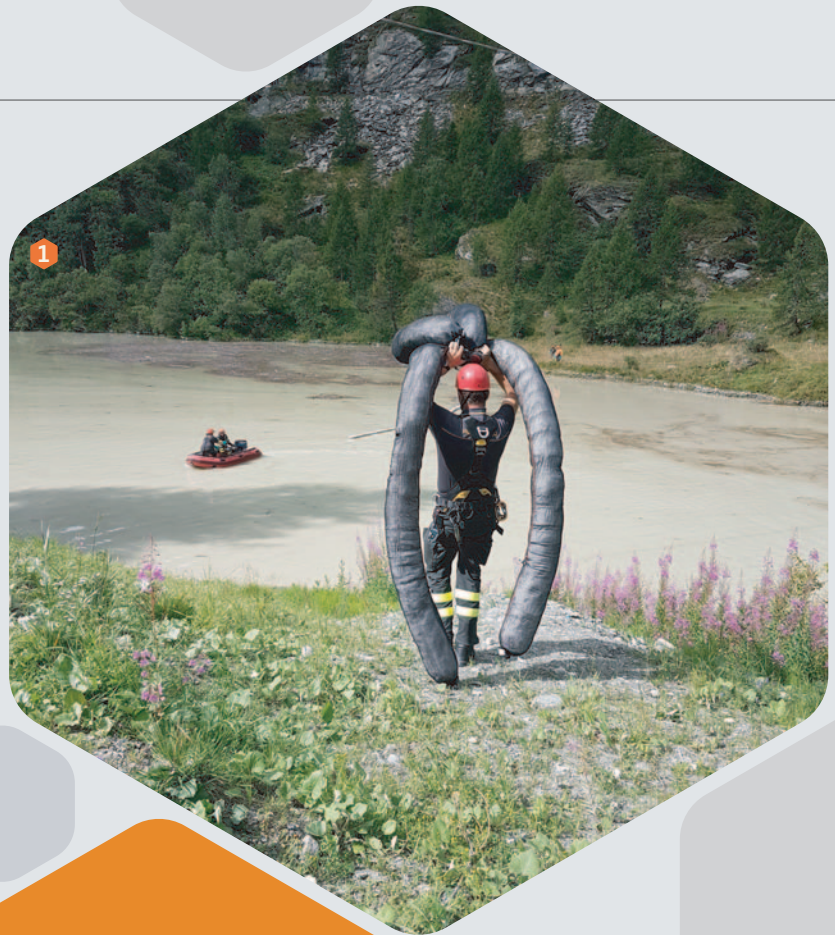
As part of strengthening the Group for future growth, we completed a £6.9m capital raise in 2024 to invest in line with our strategic plan to accelerate the Group's path to profitability.

The successful capital raise and the full acquisition of Setcar are two significant milestones that will help accelerate our strategic agenda and unlock further value.



**1 GRAFYSORBER® ENVIRONMENTAL:**

The Environmental division is underpinned by our unique Grafysorber® technology, which is independently proven to be five times more effective than comparable technologies.

**2 GRAFYTHERM® – TEXTILES:** We work with major brands that are seeing increasing interest for the thermal conductivity and antimicrobial properties of our G+® graphene.**3 GRAFYSORBER®:** It is a hybrid-graphene solution for treating water sludges and emulsions containing hydrocarbons, and it can absorb and recover more than 100 times its own weight of oil-based pollutants.**4 PRODUCTION PLANT:** At the Lomazzo plant, we are working on a remodelling of the production line aimed at increasing productivity and ensuring greater operational flexibility at lower direct production costs.

The Environmental division is underpinned by our unique Grafysorber® technology. It can absorb and recover more than 100 times its own weight of oil-based pollutants.





## Chief Executive Officer's review continued

The capital raise also provided funds for investments to support the commercialisation of our G+ graphene, increase the Group's technical and commercial capabilities, and improve our production line to further reduce our production costs. We have additionally restructured the manufacturing and R&D teams in Italy, maximising the benefits of Directa Plus' technology and production process to deliver more effective, scalable and customer-oriented solutions. Notably, the replacement of argon gas for nitrogen gas in our production line has provided significant cost efficiencies and environmental benefits, as it is a common energy source that can be generated internally.

### Review of Operations

#### Environmental Remediation (79% of revenue)

The Environmental Remediation division is underpinned by our unique Grafysorber® technology, which is independently proven to be five times more effective than comparable technologies. It is a hybrid-graphene solution for treating pollutants, in particular water sludges and emulsions containing hydrocarbons, where it can absorb and recover more than 100 times its own weight of oil-based pollutants.

Although performance was dampened in the year, in part due to a focus on higher margin, higher value services, a series of important contract wins and renewals were secured. In addition, specific project delays and market uncertainties further impacted the division's performance. The contract signed in 2023 with Liberty Galați, Romania's leading integrated steel producer, has progressed more slowly than anticipated due to the customer's financial difficulties. The Romanian government has announced measures to support Liberty Galați's stabilisation, and we are closely monitoring the situation to safeguard the successful continuation of the project. Furthermore, as previously notified, a major tender for a

€44 million two-year contract for a significant remediation project was being sought by Setcar. This tender has not progressed in the manner the Board were continually led to expect. The contract has now been awarded to another party, under circumstances that are difficult to appropriately determine. Whilst this is very disappointing after all our considerable efforts and engagement, the outcome would appear to be in our best interests as a public company.

Nevertheless, a series of important contract wins and renewals during the period demonstrate the strong underlying demand for our solutions. The Group's environmental remediation activities are primarily carried out via Setcar which renewed its contract with FORD Otosan, a Romanian automotive business owned by Ford Motor company, for the fifth time in the period for a total contract value of €1.9m. Post-period end Setcar secured a further renewal for c. €1.1 million for the first half of the year to continuing to deliver Total Waste Management services, including waste disposal, transportation, treatment, recycling, equipment, and personnel.

Post-period end, Setcar also signed an initial \$1.5m agreement with Midia International SA, to provide tank cleaning and waste disposal services as part of an offshore drilling campaign in the Black Sea, specifically the Trident EX30 block. The project will involve the use of Directa Plus's proprietary Grafysorber® technology to treat the contaminated water and is expected to commence in the second half of 2025.

The Group also resumed its activities with OMV Petrom for the decontamination of sludges using Grafysorber as the customer has identified a new area to decontaminate. In recent years we have treated c. 41,000 cubic meters of emulsions generated by OMV Petrom, recovering c. 10,000 tons of crude oil to be reinjected in their refineries, improving their overall operational efficiency. In April 2025 Setcar signed a €1.59 million contract extension agreement with OMV Petrom, for

the use of Directa Plus's patented Grafysorber® technology to treat oil sludges, emulsions, and contaminated water. This contract extends the original framework agreement, which commenced in 2021 and has generated over €1.0 million in revenues to date, to 31 December 2026, ensuring the continuity of services without interruption.

With the restructuring of Setcar, we continue to look for ways to capture further opportunities by leveraging our proprietary environmental remediation technology and to capitalise on the significant market potential that we expect to materialise in the region.

#### Textiles (20% of revenue)

The European textile market was affected by weaker consumer spending in the current economic climate, which adversely impacted our Textile division resulting in a slowdown in revenues. In parallel, we have also experienced a temporary slowdown in sales to a major workwear client during the year that are now expected to rebuild in 2025. Nonetheless, we continue to experience strong demand for our technical product enhancements globally and see potential to deepen our presence in the luxury textile market and further develop opportunities in defence and workwear applications, for which our technology plays a key role. Whilst the European textile market remains challenging, there are signs of a potential recovery later in 2025, supported by a stabilisation in inflation and international markets. Additionally, the growing focus on sustainability and circular economy regulations presents opportunities for companies investing in innovation and responsible production. Against this backdrop, we remain committed to optimising our operations and leveraging market trends to strengthen our commercial position.

We work with major fashion brands and are seeing increasing interest for the thermal conductivity and antimicrobial properties of our G+® graphene in high technology electronic applications. In March 2024, we



**"We continue to experience strong demand for our technical product enhancements globally and see potential to deepen our presence in the luxury textile market."**

## Chief Executive Officer's review continued

secured a contract with Heathcoat Fabrics in the UK, a manufacturer of advanced knitted and woven fabrics, which involves the integration of our G+® Planar Thermal Circuit technology into its portfolio to provide thermal dissipation. We continue to work with luxury brands across workwear and shoes in Europe and the US as well as defence wear in South America, with several open discussions taking place in North America and Turkey for our products.

### Additional industry verticals (1% of revenue)

Whilst we see increasing opportunities across our verticals, the Group is focused on tangible opportunities that provide near-term value, which predominately arise in verticals such as asphalts and batteries.

GiPave, developed in conjunction with Iterchimica, has had success in the asphalts market. GiPave is a G+® graphene-based technology that provides significant improvements to road durability and a significantly reduced carbon footprint. In the period, GiPave was used in the Imola Circuit for the Emilia-Romagna Grand Prix in May 2024 as part of the Formula 1 World Championship, making it the first circuit to feature green, sustainable and high-tech asphalt utilising graphene and recycled plastics. GiPave was also chosen for an extensive resurfacing operation in Rome, ahead of the 2025 Jubilee.

We are currently collaborating with Nant G Power, a company owned by one of our cornerstone shareholders, which specialises in the research, development, and later manufacturing and sale of next-generation lithium-ion batteries. We are supporting Nant by providing G+® technology as a key component and sharing our expertise to help build coin cells and single-layer pouch cell prototypes for lab-scale material testing and product development, with a focus on the Italian and EU markets.

In parallel, we continue to invest in R&D to further adapt and refine our G+® technology for additional application areas such as elastomers, paints, cements and air filtration systems. Across these verticals, we have achieved promising validations at various levels and stages, confirming the effectiveness of our solutions. Our efforts are now focused on accelerating adoption by industrial partners and progressing towards broader market commercialisation.

### Operational

At the Lomazzo plant, we have renewed our production team, which is currently working on a remodelling of the production line aimed at increasing productivity and ensuring greater operational flexibility at much lower direct production costs. In parallel, we have undertaken specific investments in the line, including the substitution of argon gas with nitrogen gas as the main energy source, which is expected to directly reduce production costs with additional benefits in terms of sustainability.

We are also strengthening our R&D team to better align with evolving market needs and to drive innovation both in the short term and across our medium- to long-term strategic verticals.

The new strategic focus at Setcar has resulted also in a reduction in headcount since the acquisition of full majority control in H1 2024. Management changes have been made to improve leadership and to bring better focus to support growth.

### Intellectual property

At the end of 2024, the Group's patent portfolio comprises 106 patents granted (December 2023: 86), with 33 pending (December 2023: 46), grouped into 22 patent families. The Group's patents cover our unique graphene production process and a wide range of applications, and our portfolio evidences Directa Plus' real strategic value. Since

inception, we have fostered an aggressive IP strategy across different verticals to protect the production process and several of our applications. Our production process is modular and flexible, and we can easily and quickly produce G+® finished and semifinished products for different verticals. Our wide IP portfolio represents a strong barrier against competitors and a significant asset, ready to generate economic returns and position Directa Plus as a leading technology player in a fast-growing market.

### Outlook

Whilst new wins in FY24 were slower than we had expected, the team has worked diligently to ensure that we have a solid strategy and the necessary foundation to take advantage of the significant opportunities that are ahead of us, driving value across our expanding network of partners and customers, and bringing the Group back to its expected growth path. In the near term, we are focused on continued reorganisation of Setcar which will allow us to capture new business opportunities and eliminate inefficiencies. We are also redesigning the layout of the Lomazzo plant to enhance production flexibility and to achieve further significant cost reductions.

The early momentum seen so far in FY25 is evidence of the success of this focus with new contract wins, that are further supported by a good pipeline of opportunities and scope for further operational efficiencies and cost reduction. The Board is confident in achieving results for FY25 in line with market expectations.

**Giulio Cesareo**  
Chief Executive Officer  
2 June 2025



**"The Group developed a solution, GiPave, with Iterchimica, which has had success in the asphalts market. GiPave is a G+® graphene technology that provides significant improvements to durability and reduced carbon footprint."**



- 1 ASPHALTS:** GiPave was used in the Imola Circuit for Emilia-Romagna Grand Prix in May 2024 as part of the Formula 1 World Championship.
- 2 EXPANDING ABROAD:** We continue to work with luxury brands across workwear and shoes in Europe and the US as well as defence wear in South America, with several open discussions taking place in North America and Turkey for our products.
- 3 PATENTS PORTFOLIO:** Since inception, we have fostered an aggressive IP strategy across different verticals to protect the production process and several of our applications.
- 4 PRODUCTION PROCESS:** Our production process is modular and flexible, and we can easily and quickly produce G+® finished and semifinished products for different verticals.



We are strengthening our R&D team to align with evolving market needs and to drive innovation both in the short term and across our medium-to long-term strategic verticals.



The Group's patent portfolio comprises 106 patents granted (with 33 pending), grouped into 22 patent families. Our patents cover our unique graphene production process and a wide range of applications, and our portfolio evidence Directa Plus' real strategic value.



# Chief Financial Officer's review



**Giorgio Bonfanti** Chief Financial Officer

"The key focus in 2024 has been on navigating a particularly challenging environment, while preserving the Group's financial stability and enhancing operational efficiency. Despite external headwinds, the finance team has remained committed to supporting strategic decision making, optimising resource allocation, and maintaining robust cost control."

In parallel, the Group continued to invest in line with its long-term strategic plan, with a disciplined approach aimed at balancing short-term resilience and long-term growth. The successful capital raise completed in June 2024 has been instrumental in enabling these efforts, strengthening both the operational and financial foundations of the Group, and positioning it to capitalise on emerging opportunities in its core markets.

## Key performance indicators

The Board measures the performance of the Group through several important KPIs. As a growing business operating across different vertical markets, identifying measurable data that will provide useful insight year-on-year is not always straightforward but the KPIs below aim to help shareholders navigate the Group's progress:

- Product sales and service revenue at €6.66m (2023: €10.53m), impacted by temporary delays in key customer orders and contract awards in the Environmental Remediation and Textiles divisions
- Total income (including grants) at €6.83m (2023: €10.86m)
- Adjusted LBITDA\* increased by 42% to €3.64m (2023: €2.56m), driven by lower revenues, offset in part by continued efforts to control costs and improve production efficiency
- Loss before tax increased by 25% to €5.37m (2023: €4.31m)
- Reported (basic) Loss per share stable at €0.06 (2023: €0.06)
- Cash and cash equivalents at year end of €4.98m (2023: €2.39m), significantly strengthened by the capital raise completed in June 2024

*\* Adjusted EBITDA loss represents results from operating activities before tax, interest, depreciation and amortisation, adjusted by one-off expenses, one-off provisions, inventory write-offs, non-recurring legal expenses and onerous contract provision (details below).*

**€6.67m**

Product sales and service revenue (2023: €10.53m)

**€6.83m**

Total income (including grants) (2023: €10.86m)

**€4.98m**

Cash and cash equivalents at year end (2023: €2.39m)

## Financial review

2024 remained a challenging year, as the war in Ukraine and the Middle East, combined with persistently high interest rates, continued to weigh on global markets. These macroeconomic and geopolitical conditions temporarily impacted the Group's growth trajectory, financial results and stock performance.

The difficult environment particularly affected our two primary business areas: the European textiles market and the environmental remediation activities, both of which were directly exposed to the macroeconomic slowdown and geopolitical uncertainties.

This led to a material reduction in revenue to €6.7 million, representing a 37% decrease versus 2023, mainly due to a temporary slowdown in orders from key customers and the strategic decision to focus on high margin high value business.

Despite this, the Group implemented several mitigating actions aimed at protecting margins and preserving liquidity. These included strict control over operating expenses, a continued reduction in direct production costs, and a focused prioritisation of contracts with higher profitability. These efforts helped partially offset the impact on the net loss for the year.

In June 2024, the Group raised gross proceeds of approximately £6.9 million through a placing and subscription involving the issuance of 38,361,106 new Ordinary Shares at a price of 18p each. The capital raised was used to acquire the remaining minority interest in Setcar, with the balance deployed to accelerate investments across both our primary and secondary verticals, to cover general working capital needs, and maintain momentum on medium to long-term opportunities.

The completion of the €1.5 million acquisition of an additional 49% stake in Setcar has taken to Group's total ownership to 99.95%. The acquisition was initially partially financed through a short-term €1 million loan from Nant Capital LLC, which was repaid out of the proceeds of the capital raise. Full majority control has enabled the Group to actively restructure Setcar in order to enhance its strategic alignment with the wider Group, accelerate the deployment of Grafysorber® in the region, and capitalise on the significant market opportunities emerging locally in environmental services and decontamination.

The new funds have enabled the Group to continue executing its strategic plan, with targeted commercial and R&D investments. These are carefully balanced to optimise short-term returns while preserving the Group's ability to capture high-value opportunities in the medium to long term, all while maintaining disciplined cash management. As of 31 December 2024, the Group held cash and equivalents of €4.98 million.

It should also be noted that, at the statutory level, the parent company (Directa Plus plc) recorded a non-cash impairment loss of €16.9 million on its investment in Directa Plus S.p.A., following a decrease in the Group's market capitalisation. This adjustment, which has no impact on the consolidated financial statements, reflects a prudent application of accounting standards in the individual entity's accounts.

Looking ahead, the Group's short-term priorities remain focused on reducing cash consumption and enhancing profitability.

## Alternative performance measures

This report includes both statutory and adjusted financial measures, the latter of which the Directors believe better reflect the underlying performance of the Group by excluding certain items that if included could distort a reader's understanding of the results.

The table below shows a reconciliation of statutory and adjusted measures for LBITDA and Loss before taxation.

Adjustments refer to:

- a one-off expense of €0.13 million in 2024, relating to engineering development costs incurred by Setcar for the acquisition of specialised equipment intended for the Liberty Galați project. In light of Liberty's financial difficulties, Setcar decided to place the investment on hold. The costs have been treated as a non-recurring item, with the potential to be leveraged as an intangible asset should the project activities resume;
- a €0.02 million tax risk provision in Romania in 2024 and a bad debt provision in 2023 of €0.28 million referred to unpaid receivables in respect of contracts carried out in 2021 and 2022;
- an inventory write-off of €0.36 million in 2024 and €0.17 million in 2023. The 2024 amount reflects the adoption of a new, more conservative internal provisioning policy for inventory, introduced following the revenue decline experienced during the year. In response to this downturn, management opted for a stricter and more structured approach, applying progressive write-down percentages based on stock ageing, lack of movement, and absence of recent sales;
- legal costs of €0.05 million in 2024 and €0.05 million in 2024 mainly linked to the protection of Directa Plus' IP portfolio; and
- a provision release of €0.04 million (2023: €0.15 million). A €0.19 million provision was made in 2022 for the total expected loss on the conclusion of the two onerous long-term contracts where recovery was deemed uncertain under IFRS15. The provision was reversed out in 2023 and 2024 on the conclusion of the contracts.

A description of the principal risks and uncertainties facing the Group is set out in the Directors' Report of the Annual Report.

**Giorgio Bonfanti**  
 Chief Financial Officer  
 2 June 2025

€ million	FY24	FY23
<b>Result from operating activities</b>	<b>(5.42)</b>	(4.18)
(+) Depreciation and amortisation	1.26	1.27
<b>LBITDA</b>	<b>(4.16)</b>	(2.91)
(+) One-off expenses	0.13	–
(+) One-off provision	0.02	0.28
(+) Inventory write-off	0.36	0.17
(+) Lawsuit expenses	0.05	0.05
(+/-) Onerous contracts provision	(0.04)	(0.15)
<b>Adjusted LBITDA</b>	<b>(3.64)</b>	(2.56)



## Directors' biographies



### Richard Hickinbotham

Non-Executive Chairman

#### Relevant strengths

- Deep understanding of AIM markets
- Investor relations and financial communication
- Growing businesses and funding

Richard Hickinbotham is an experienced City professional, having served previously as Head of Equity Research at Singer Capital Markets, Cantor Fitzgerald Europe and Charles Stanley. He has also held a number of senior positions at Investec, including Global Head of Research and Co-Head of UK Investment Banking and as Head of Pan-European Small and Midcap Research at S.G. Warburg & Co.. Richard is a Non-Executive Director of AB Dynamics Plc where he is chairman of the remuneration committee and a member of the audit and nomination committees. Richard holds a BSc. in Mechanical Engineering from Imperial College and is a qualified Chartered Accountant.



### Giulio Cesareo

CEO and Founder

#### Relevant strengths

- Industry knowledge and credentials
- Strategic and business expertise
- Engineering expertise

Giulio Cesareo is one of the founders of Directa Plus. He began his professional career in 1982 in Italy working for Falck and Techint. From 1986 to 2004, he worked in the carbon and graphite business for Union Carbide, UCAR and Graitech, reaching the positions of the President and CEO of the Italian company and Vice President and General Manager of the worldwide Advanced Carbon and Graphite business unit. In his role at Union Carbide, Giulio managed business units in USA, France and Italy. Giulio is an Advisory Board member and member of the Industry Council of the US National Graphene Association.

Giulio was awarded a degree in Mechanical Engineering from the Polytechnic University of Milan, an MBA and an Executive MBA from Bocconi University of Milan and attended Strategic and Financial Management Programs at Stanford University (USA). He serves as a board member of Fondazione Quarta, a non-profit organisation focused on scientific research in areas of social activity and was also Board Member of: Centro di cultura scientifica "Alessandro Volta", an organisation aimed at promoting the practical applications of a scientific culture.



### Giorgio Bonfanti

CFO

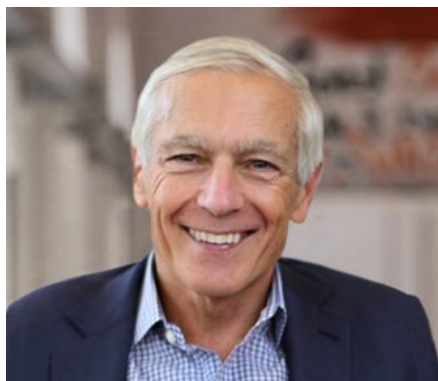
#### Relevant strengths

- Financial reporting and accounting
- Budget and business plan
- M&A and funding

Giorgio is a professional with corporate finance, M&A, and accounting experience. Before joining Directa Plus in May 2021, Giorgio was a Senior Manager at PwC, in their Deals practice. He supported national and international clients in M&A transactions, such as acquisitions, disposal, joint ventures, IPOs and business plans. He also has a previous experience at KPMG as an auditor.

Giorgio holds a degree in Business Administration and a Master of Science in Accounting, Finance and Control from Bocconi University.





## Wesley Clark

Non-Executive Director

### Relevant strengths

- Extensive public and private Board experience
- Strong US military network
- Clean energy and environment expertise

General Clark, a US national, is Chairman and CEO of Wesley K. Clark & Associates, a strategic consulting firm; Chairman and Founder of Enverra, Inc., a licensed investment bank, and Chairman of Energy Security Partners, LLC. In the not-for-profit space, he is a Senior Fellow at UCLA's Burkle Center for International Relations and a Director of the Atlantic Council. A best-selling author, General Clark has written four books and is a frequent contributor to T.V. and news media.

Wesley Clark retired as a four-star general after 38 years in the United States Army, having served in his last posts as Commander of US Southern Command and then as Commander of U.S. European Command/ Supreme Allied Commander, Europe. He graduated first in his class at West Point and completed degrees in Philosophy, Politics, and Economics at Oxford University (B.A. and M.A.) as a Rhodes scholar.



## Sarah Cope

Non-Executive Director

### Relevant strengths

- Experienced Audit Committee Chair
- UK Capital Markets and M&A experience
- Corporate governance

Sarah has over 25 years' experience as an investment banker in London, advising small and mid-sized companies at Board level on corporate governance, strategy, amalgamations and disposals, capital markets and regulatory compliance.

Previously, she has advised AIM listed companies in the Oil and Gas sector as both Nominated Advisor and Broker, assisting publicly traded companies to raise finance for their exploration, development and production projects around the world. Accordingly, she has experience of AIM regulations and compliance.

Sarah has been a Non-Executive director of several public and private companies since 2018 and is currently a Non-Executive Director of AIM traded Eneura Technologies plc, Smarttech 247 plc and Helium One Global Ltd.

## Section 172

Section 172(1)(a) to (f) of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making, to this effect the Board of Directors of Directa Plus plc consider that they have acted in such a way that would be most likely to promote the success of the company in the long term, taking into consideration the interests of all the stakeholders (investors, employees, customers, suppliers and local communities).

- a) The likely consequences of any decision in the long-term.** Annually the company reviews its medium to long term plan, which focuses on the strategic direction of the Group as well as looking at the threats, and opportunities it is facing. This plan is designed to ensure the long-term optimal direction of the company, ensuring, at the same time, the consideration of long-term requirements of stakeholders.
- b) The interests of the company's employees.** The Board considers its employees to be one of the key stakeholders within the Group and as such welcomes any feedback to ensure the alignment of both party's interests. Given the nature of the Group's activities, its employees are the greatest asset of the business and their interests are always considered when determining the strategic direction and vision of the Group.

Details of the Group's process to obtain feedback from employees are listed in the section "Stakeholder and social responsibilities" of the Corporate Governance Statement at page 24.

- c) The need to foster the company's business relationships with suppliers, customers and others.** The Board recognises that the success of the Company is reliant on the stakeholders of the business and, to this effect, the Company engages with these stakeholder groups on a regular basis. Details of the Company's process to obtain feedback from customers and suppliers are listed in the section "Stakeholder and social responsibilities" of the Corporate Governance Statement at page 24.
- d) The impact of the company's operations on the community and environment.** The Board has always considered the health and safety of people and environmental protection as top priorities. In order to manage its environmental responsibilities in a systematic and proactive manner both Directa Plus S.p.A. and Setcar S.A. implemented the ISO 14001 certification. This helps the Group to achieve the intended outcomes of its environmental management system which provides value for the environment, the organization and the interested parties. The Board recognises its responsibilities with regard to the environment and wider community and takes actions to reduce the risk of any potential negative impact the provision of its services and products could have in this area. Please refer to the CEO statement in the Strategic report for further information on the Company's considerations on ESG matters.

- e) The desirability of the company maintaining a reputation for high standards of business conduct.** In order to ensure that the business maintains its reputation and integrity, the Board promotes a corporate culture based on sound ethical values and behaviours, which are essential to maximise shareholder value. Those core values serve as a common language that allows all members of staff to work together as an effective team and, it is these values and our shared long-term business vision and strategy that we believe will drive growth in shareholder value over the long term. An ethical code and whistleblowing process are in place and are reviewed regularly. Further details of the Company's Ethical values and behaviours are listed in the section "Ethical values and behaviours" of the Corporate Governance Statement at page 26.
- f) The need to act fairly as between members of the company.** The Group's Board currently consists of three independent Non-Executive Directors, and two Executive Directors. The Board considers it collectively has an appropriate balance of skills and experience, as well as an appropriate balance of personal qualities and capabilities. This helps to ensure that the impact of decisions on stakeholders is fair and equal, so they too may benefit from the successful delivery of our plan.

We define principal decisions as both those that have long-term strategic impact and are material to the Group, but also those that are significant to our key stakeholder groups. In making its principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

Global graphene demand is expected to increase significantly over the next 10 years. The Group is well positioned to benefit from this market growth and to play a key role in its near-term development. The Group's strategy is to target existing products and markets that can be significantly improved with the addition of Directa Plus products. The Group works with key partners, benefitting from their knowledge of the market, strong reputation and commercial channels.

The Group is targeting two key markets (Environmental Remediation and Textiles), currently at an advanced stage of products and services commercialisation. The Group has also engaged with high potential opportunities that are providing encouraging signals, such as Composites. And finally, the Group keeps investing and monitoring high value future opportunities, such as the Coatings, Polymers, Batteries, Air filters and Concrete.

The Group operates in a fast-changing environment. The Group keeps investing and growing, exploiting the competitive advantage gained so far and prioritising the verticals with a faster commercial traction and higher financial returns.

**Giulio Cesareo**  
Chief Executive Officer  
2 June 2025

# Directors' report

## Principal activities

Directa Plus is a technology-based Group pursuing the development of innovative manufacturing processes to produce and supply high quality engineered graphene-based products which can be used by third parties in a wide variety of industrial and commercial applications. Following the acquisition of a majority shareholding in Setcar S.A. in November 2019 and its subsequent increase to 99.95% in 2024, Directa Plus operates in the environmental service market supplying a complete range of services, from chemical analysis for waste identification to water and soil treatment, leveraging on the unique properties of the graphene-based products within its portfolio.

The Group's strategy is to partner with potential customers at an early stage and work with them to develop tailor-made graphene forms that have the desired morphology for each potential customer's specific applications to enable them to capitalise on the high-performance benefits of graphene.

The Group's main country of operation and place of business is Italy, and its registered office address is 50 Broadway, London, SW1H 0BL, UK. Setcar is based in Romania, which is also its main country of operations, and its registered office address is 6 Gradinii Publice Street, 810022, Braila.

## Business and strategic review

The information that fulfils the requirements of the strategic report and business review, including details of the results for the year ended 31 December 2024, research and development, KPIs and the outlook for future years, are set out in the Chairman's Statement, Chief Executive Officer's Review and Chief Financial Officer's Review on pages 2 to 17 (The Strategic Report), and in this Directors' Report, together with the description of principal risks and uncertainties. A going concern assessment is set out in the Corporate Governance report and is reported on page 27.

## Dividends

The Directors' current intention is that for the foreseeable future, all future earnings at the Group level will be reinvested in the business in order to fund the ongoing growth strategy. In the future, if it is commercially prudent to do so, the Board may consider the payment of a dividend.

## Post balance sheet events

No significant events have occurred after the reporting date that would require disclosure in these financial statements.

## Directors' indemnity

The Company has arranged appropriate directors' and officers' insurance to indemnify the directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

## Directors

The following Directors held office as indicated below for the year ended 31 December 2024 and up to the date of signing this report (where not specifically mentioned):

- Richard Hickinbotham
- Giulio Giuseppe Cesareo

- Wesley Clark
- Sarah Cope
- Giorgio Bonfanti

## Directors' Remuneration and Interests

The Directors' Remuneration Report is set out on pages 28 to 31. It includes details of Directors' remuneration, interests in the ordinary shares of the Company and share options.

## Corporate Governance

The Chairman's Corporate Governance Statement is set out on pages 24 to 27.

## Share Capital and Substantial shareholdings

Details of the share capital of the Company as of 31 December 2024 are set out in Note 17 to the consolidated financial statements. As of 31 December 2024, a total of 104,418,755 ordinary shares were outstanding. The following Shareholders own 3% or more of the ordinary shares:

Shareholder	Number of ordinary shares	Percentage of issued ordinary share capital
Nant Capital/Patrick Soon-Shiong	41,197,874	39.45
Unicorn Asset Management	9,428,888	9.03
Dompè Group	8,891,603	8.52
Rathbone Investment Management Limited	8,178,876	7.83
Dr. Jean Marc Droulers/ Finanziaria Le Perray *	4,466,449	4.28
Galbiga Immobiliare S.r.l.**	4,302,674	4.12

\* Finanziaria Le Perray S.p.A. is a company owned and controlled by Dr. Jean Marc Droulers.

\*\* Galbiga Immobiliare S.r.l. is a company owned and controlled by Giulio Cesareo, the CEO of Directa Plus.

## Risk management

The Group's financial risk management is discussed in Note 23 to the financial statements. The Directors continually consider how to identify and mitigate the key business risks. Directors ensure that the management of Company delivers leadership and direction to employees so that our overall risk-taking activity is kept within the desired risk appetite. The Group's tolerance for risk in the area of Health Safety and Environmental Protection ("HSEP") is very low. Directa Plus dedicates significant resources to managing and monitoring these risks on a daily basis. The following list considers those that could have a serious adverse impact on Group's performance.



# Directors' report

continued

Risk	Mitigation and management strategy	Likelihood*	Impact (on the Group)**	Change***
<b>International conflicts, inflation trends and high interest rates</b>	<p>Directors continuously monitor key geopolitical developments and assess their potential impacts on the Group's business, adjusting strategy and operational priorities where necessary.</p> <p>Over the past year, ongoing international conflicts, including the war in Ukraine and tensions in the Middle East, have continued to contribute to global economic uncertainty, persistent inflationary pressures, and volatility in commodity and energy markets. In response, central banks have maintained high interest rates, impacting financial markets and global supply chains.</p> <p>The Group does not have any direct contracts with Russian, Ukrainian, or Israeli clients, and, to date, its major clients' business activities do not appear to be significantly at risk. However, the broader economic landscape requires careful monitoring.</p> <p>Additionally, the Group is monitoring developments relating to potential changes in international trade policies, particularly the impact of increased U.S. tariffs. While Directa Plus's exposure to U.S. markets is currently limited, any escalation in trade barriers could indirectly impact global supply chains, input costs, and customer sentiment across key industries.</p> <p>To mitigate potential risks, the Group has maintained an effective policy of price list readjustments and cost optimisation, ensuring resilience in the face of inflationary pressures. Additionally, treasury and cash management strategies continue to be optimised to benefit from favourable interest rate conditions.</p> <p>Despite the challenging environment, Directors remain confident that the Group's financial position and operational flexibility support its going concern assessment.</p> <p>Furthermore, certain market dynamics may present opportunities, such as the increased value of recovered oil and waste, the expansion of applications for G+® in emerging industries, and, in the longer term, the potential business opportunities arising from Setcar's strategic proximity to Ukraine, which could become relevant for environmental remediation once the conflict ends.</p>	Certain	Major	→
<b>Customer concentration risk</b>	<p>The Group's revenue is currently dependent on a limited number of key customers, which may expose the business to revenue volatility in the event of delays, cancellations or reduced orders. To mitigate this, the Group is actively diversifying its customer base across geographies and sectors, expanding commercial efforts and pursuing partnerships to reduce dependency on individual customers. Regular monitoring and strategic account management are in place to strengthen relationships and ensure continuity.</p>	Possible	Major	New
<b>Changes in government policy and legal and regulatory compliance</b> The Group operates in highly regulated industry (Environmental services and waste disposal) through its controlled subsidiary Setcar S.A. Any changes to government policy, standards or regulatory requirements could affect the Group's operations and results.	<p>Management constantly monitors the regulatory framework to ensure a prompt understanding of any proposed changes.</p>	Possible	Major	→
<b>M&amp;A strategy and delivery</b> Following the initial acquisition of Setcar S.A. in 2019 and the subsequent increase in ownership to 99.95% in 2024, Directa Plus recognises that there may still be integration risks that could affect the realisation of the full expected benefits from the transaction.	<p>An integration plan and skilled resources have been deployed to manage the post-acquisition process. While Setcar has been part of the Group for over five years, the Board acknowledges that integration efforts remain ongoing, as demonstrated by the recent organisational and leadership changes aimed at better aligning the subsidiary with the Group's strategic objectives. The Board remains actively engaged and receives regular updates to ensure continuous progress.</p>	Unlikely	Moderate	↓
<b>Technological risk</b> Directa Plus operates in an industry where competitive advantage has a certain dependency on the technology adopted. It is possible that future technological development or potential substitute materials may affect the acceptance of, and the attribution of value to the Group's graphene production technology and the Group's graphene-based products.	<p>Directa Plus continually monitors the market and its competition and has resources to invest in technological development and product development as appropriate.</p>	Possible	Critical	→
<b>Intellectual property protection risks</b> Failure to protect the Group's IP may result in another party copying, using or taking advantage from the Group's proprietary knowledge and technology without authorisation. There may not be adequate protection for IP in every country in which the Group's products are or will be made available.	<p>The Group monitors scientific papers, news flow and graphene products brought to the market as far as reasonably possible and will take cost-effective legal action if required. The Group is advised by suitably qualified and experienced patent agents and meetings with the patent agents are scheduled regularly.</p>	Possible	Major	→



Risk	Mitigation and management strategy	Likelihood*	Impact (on the Group)**	Change***
<b>Key employees risks</b> The Group depends upon the continued service and performance of the Executive Officers and key employees. The loss of the services of any of Executive Officers or other key employees could have an adverse impact on the Group's operations, reputation and business activities.	Risks is mitigated by providing long-term incentive arrangements to key employees, building a motivated management team, together with significant opportunities for career development. The announced future transition of the CEO, effective by the 2026 AGM, represents a significant leadership change. To mitigate this, the Board has initiated a structured succession planning process and is actively working to ensure a smooth handover, preserving strategic continuity, customer relationships and internal know-how.	Possible	Major	↑
<b>Funding risk</b> The Group's growth requires access to funding. It is possible that the Group will need to raise extra capital in the future to continue to develop the Group's business or to take advantage of future acquisition opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Group or to the Group's shareholders. Refer to the note on Going Concern for further details.	Risk is mitigated by maintaining good relationships with the Group's main shareholders. In addition, given the highly innovative nature of its business, the Group is continuously seeking government grants to partially fund its R&D activities.	Possible	Major	→
<b>Climate change and environmental regulation</b>	Climate change may impact the Group's operations both directly – through increased regulatory scrutiny, environmental compliance obligations, and customer sustainability demands – and indirectly, through shifts in market preferences and raw material availability. The Group monitors regulatory developments closely, and proactively adapts its product portfolio to support sustainable solutions. Products like Grafyosorber® directly address environmental challenges and position the Group favourably in the transition to a low-carbon economy.	Possible	Moderate	New

\* Unlikely, Possible, Likely, Certain. \*\* None, Minor, Moderate, Major, Critical. \*\*\* Defines the direction on the change in the risk: new risk (New), risk increased (↑), risk decreased (↓), no change (→).

The Group's policies, procedures and practices used to identify, monitor and control a variety of risks may, in some cases, not be effective. The Group's risk management methods rely on a combination of internally developed technical controls, standard practices, observation of market behaviour and human supervision.

## Annual general meeting

The notice for the convening of the 2025 AGM together with the proposed resolutions is contained in the Notice of AGM sent to all shareholders and is available via the Company's website.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with the UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on the corporate website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Director's responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

For and on behalf of the Board of Directors

2 June 2025



# Corporate governance report

## Chairman's corporate governance statement

The Board of Directa Plus plc (the "Company") fully supports good corporate governance and recognises that it enhances its decision-making processes by improving the success of the Company and increasing shareholder value over the medium to long-term. The Quoted Companies Alliance corporate governance code (the "QCA Code") sets out a minimum best practice standard for small and mid-sized quoted companies, particularly AIM companies. The Company complies with the QCA Code and the Directors propose that the Company should continue to do so having regard to the Company's size, board structure, stage of development and resources. There have been no significant changes in governance arrangements during the 2024 financial year.

Over the last recent years, we have been constantly reviewing the Company's culture and how it is consistent with our strategy, objectives, and business model. We have identified some opportunities for improvement in our daily operations.

Following the acquisition of the minority shareholding in Setcar and gaining full control of the subsidiary, in H2 2024 we undertook a reorganisation of the Romanian subsidiary to further align its corporate culture with that of the Group. This process also included strategic alignment to capture opportunities related to Grafysorber® and generate value from the opportunities ahead.

Compliance with each of the principles set out in the QCA code is summarised in this section.

## Role of the Chairman

The Board as a whole is responsible for effective corporate governance. As Chairman of the Board, I have overall responsibility for the corporate governance arrangements of the Company in addition to ensuring that corporate governance arrangements are fully adopted within the Company.

In addition, my role as Chairman is to lead the Board, ensuring its smooth running and the effective contribution of all Board members.

## Strategy and business model

The Company's business model, strategy and key markets are set out in the Chief Executive Officer's review on pages 10 to 14.

## Relations with shareholders

The Chief Executive Officer and Chief Financial Officer are responsible for shareholder liaison and have regular dialogue with institutional investors in order to develop an understanding of their views.

Meetings with analysts and shareholders of the Company take place following the interim and annual results announcements as well as on an ad hoc basis. These presentations are given by the Chief Executive Officer and the Chief Financial Officer, updating on relevant matters and in particular, on the progress of the Company in terms of its operational performance, financial and strategic direction.

The Annual Report and accounts are published on the Company's website, [www.directa-plus.com](http://www.directa-plus.com), and can be accessed by shareholders and non-shareholders. Shareholders have the opportunity to meet members of the Board at the Annual General Meeting of the Company where Board members will be happy to respond to questions.

The Board believes that its current approach to shareholder engagement is successful, based on the feedback received and the Investor Meet Company interviews publicly available. In addition, as Chairman, I remain available to talk to shareholders whenever required.

## Stakeholder and social responsibilities

The Board considers its key stakeholder groups to include:

- **workforce** – we are a responsible employer, compliant with relevant human resources legislation and recommended practices, as well as Health, Safety and Environmental Protection regulations. The Group is maintaining a high level of attention towards its stakeholders health and safety and has achieved an exemplary safety record amongst its workforce;
- **customers** – we have deep and wide relationships with our customers that are crucial for the success of our business in developing novel solutions with our customers and in developing their next generation of products;
- **suppliers** – we aim to develop strong relationships with our suppliers based on trust, understanding and respect; and
- **partners** – we engage with commercial and scientific partners and work with them to develop new applications, building strong and long-lasting relationships.

The Company obtains feedback from stakeholder groups by way of:

- informal meetings and consultation with employees' representatives, and reports received through the Group's Whistleblowing policy;

- regular meetings with main suppliers and undertaking a formal assessment at least once a year;
- a formal survey sent at least once a year to the main customers to assess our level of service; and
- maintaining a social media presence in order to understand stakeholder sentiment and to obtain their feedback.

The Company has always considered the health and safety of people and environmental protection as top priorities. We take a proactive approach to health, safety and environmental protection by monitoring our production process and products and continuously reviewing our policies. Further information about the Company's approach to sustainability is set out in the Health, Safety and Environmental Protection section of the Company's website.

## Risk management

The Directors are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Page 22 sets out the Company's approach to risk management and lists those risks which are considered to have a potentially serious adverse impact on the Company's performance.

Page 27 includes additional information about the Company's internal control system.

## The Board

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Company to its shareholders and other stakeholders. The Board has overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

The Chief Executive ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and, if required, from external advisers on a number of corporate governance matters.

The Board consists of two Executive Directors and three Non-Executive Directors. The Board considers all the Non-Executive Directors to be independent. The Board consists of four male Directors and one female Director.

The number of meetings attended by the Board are disclosed on page 26.

The current members of the Board and their membership on the Board committees of the Company are as follows:

Name of Director	Board appointments				Board committees as Chair or member	
	Executive Director	Non-Executive Director	Independent Director	Non-independent Director	Audit Committee	Remuneration Committee
Giulio Cesareo	✓	–	–	–	–	–
Giorgio Bonfanti	✓	–	–	–	–	–
Richard Hickinbotham*	–	✓	✓	–	–	Member
Wesley Clark	–	✓	✓	–	Member	–
Sarah Cope	–	✓	✓	–	Chair	Chair

\* Richard Hickinbotham holds a total of 60,000 vested ordinary shares under a previous share option plan, a legacy from the initial remuneration package assigned following his appointment in 2017. The options are exercisable at 75p per share and have a de minimis value. Based on this, the Board considers the Chairman to be an independent director. The Remuneration Committee has no intention to issue any options to NEDs in the future. Based on this, he is considered an independent director.

The Board recognises the importance of ensuring the flow of complete, adequate and timely information on an ongoing basis to enable decisions to be made on an informed basis and to enable the Board to effectively discharge their duties and responsibilities. To allow Directors sufficient time to prepare for the meetings, all Board and board committee papers are aimed at being distributed to Directors a week in advance of the meetings, with any additional material or information provided on request. Directors have unrestricted access to management

and receive briefings from them, which enable the Directors to keep abreast of the latest developments. Furthermore, the Company has implemented the appropriate procedures to support Directors in obtaining independent professional advice at the expense of the Company as and when required. Directors receive regular updates in relation to changes in UK adopted accounting standard and regulation.

# Corporate governance report

continued

## Directors

The Directors continue to remain satisfied that the Board is well balanced and that the Directors possess the sufficient breadth of skills, relevant experience, variety of backgrounds and knowledge to ensure the Board functions appropriately, without being dominated by any one Director. Details of qualities and capabilities that each director brings to the Board are included in the director biography section. Moreover, diversity is strongly considered ensuring the appropriate balance of the Board is developed.

Full biographies of each Director can be found on pages 18 and 19.

The Board keeps under review the skills required to effectively pursue the Company's strategy and discharge its duties. The Chief Financial Officer is also the Company Secretary; the Board does not feel that a full time Company Secretary is currently required but will keep this under review.

## Board performance

The Board continually reflects on its performance to identify potential areas for improvement.

## Ethical values and behaviours

The Board is committed to ensuring the highest legal and ethical standards and acknowledges its responsibilities in relation to corporate governance.

The Board has produced an Ethical Code which aims to ensure that the Company's employees conduct themselves respectfully and honestly in all their dealings with other employees as well as third parties including clients, suppliers, public institutions, the media, competitors and legal authorities.

## Governance structure and processes

Delivering growth and long-term shareholder value with effective and efficient decision-making is of high importance to the Board.

There is a clear division of responsibilities between the Chairman, who is responsible for the effective leadership and smooth running of the Board, and the Chief Executive Officer who, with the other Executive Director, is responsible for the running of the Company.

The Company has established an Audit Committee and a Remuneration Committee. Both committees meet at least twice a year. Details of both committees and a report of their activities undertaken during the 2024 financial year can be found on pages 28 and 33.

## Committees

The Board has delegated certain functions to its two committees, the Audit Committee and the Remuneration Committee. These committees have their own written terms of reference and their actions are reported to and monitored by the Board. The Board accepts that while these committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. The functions that typically refer to the Nomination Committee currently remain with the Board.

## Time commitments

The Directors devote a sufficient amount of time in order to discharge their duties to the Company both at and outside of Board Meetings. In order to ensure this continued commitment the Board meets at least 6 times a year. In addition to the formal Board Meetings the Board will meet throughout the year as and when required for specific matters.

The time commitments of the Non-executive Directors are carefully reviewed by the Board and it is noted that Richard Hickinbotham, Sarah Cope and Wesley Clark devote at least 2 days a month to the Company. Details of the Directors' attendance at each of the scheduled Board and Committee Meetings for the 2024 financial year are listed below:

Name of Director	Board meetings		Audit Committee meetings		Remuneration Committee meetings	
	No. held	No. attended	No. held	No. attended	No. held	No. attended
Giulio Cesareo	8	8	n/a	n/a	n/a	n/a
Giorgio Bonfanti	8	8	n/a	n/a	n/a	n/a
Richard Hickinbotham	8	8	n/a	n/a	2	2
Wesley Clark	8	7	4	4	n/a	n/a
Sarah Cope	8	8	4	4	2	2



## Internal control

The Directors are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The main features of the internal control system are as follows:

- Close management of the business by the Executive Directors. There are clearly delineated approval limits throughout the Company and a well-defined organisational structure. Controls are monitored at the appropriate level;
- monthly management accounts are prepared and reviewed by the Board, including reviewing variances against prior months and against budgets;
- clear segregation of duties within the Company's finance function help ensure the Company's assets are safeguarded and that proper financial records are maintained; and
- a list of matters that is reserved for the approval of the Board.

The Company has adopted a share dealing code for the Directors and certain applicable employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies) and the Company takes all reasonable steps to ensure compliance by the Directors and any relevant employees.

## 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, the working capital and other borrowing facilities available to it and from the issue of equity capital.

The conflicts in Ukraine and the Middle East, high inflation, increased tariffs in international trades and increased interest rates by Central Banks have been an additional cause of uncertainty over the macro-economic outlook, affecting both the political and business environments. These events have had a significant impact on global economies and markets, and on the operations and operational funding of companies experiencing widespread inflationary cost pressures and supply chain disruption. In particular, certain sectors such as textiles and environmental services have been directly affected – the former by increased raw material and energy costs, and the latter by rising operational expenses and delays in public and private sector contracting – adding further pressure on businesses operating in these industries.

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

On 11 June 2024, the Group announced the launch of a fundraise of £6.9 million, by way of a placing and subscription, to fund the acquisition of the minority interests of its subsidiary, Setcar S.A., and to sustain the expected high growth of the business. The capital raise was effective after the shareholders' approval at a General Meeting held on 27 June 2024. As at 31 December 2024, the Group held cash and cash equivalents of €4.98 million (31 December 2023: €2.39 million) and is currently funded through €7.15 million of shareholder equity and €1.71 million of loans and bank debt, most of which are repayable over two years. As at 30 April 2025, the Group held €3.6m of gross cash.

The Directors prepared a cash flow forecast for the Group and the Parent Company for the period to December 2026, to assess if there is sufficient liquidity in place to support the plan and strategy for the future development of the Group. This forecast showed that the Group and the Parent Company will have sufficient financial headroom for the entire forecast period, if reasonably plausible downside scenarios, do not occur.

In addition, the Directors, in formulating the plan and strategy for the future development of the business, considered reasonably plausible downside scenarios including reductions in forecast revenues and gross margin, and no renewal of any financing facility. Under those stressed scenarios, the Group could exhaust its cash resources before December 2026, and may therefore be required to raise additional funding which is not guaranteed.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as going concern and therefore, the Group and the Parent Company may be unable to realise their assets or discharge their liabilities in the normal course of business. The Directors review regularly updates to the scenario planning such that it can put in place mitigating actions and maintain the viability of the company and will keep stakeholders informed as necessary.

Based on the analysis above, the Directors have a reasonable expectation that, in the event of the reasonably plausible downside scenario occurring, the Group and the Company will be able to raise additional funding to facilitate the support of their activities for the foreseeable future. The Directors have concluded that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The financial statements have therefore been prepared on the going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Richard Hickinbotham**  
Non-Executive Chairman  
2 June 2025



# Remuneration Committee report

## Annual Statement

### Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year to 31 December 2024.

The Company is quoted on AIM and therefore not required to provide all the information included in this report. However, we are voluntarily providing disclosures, in addition to those required by AIM Rule 19, to enable shareholders to understand and consider our remuneration arrangements. In determining remuneration for the year, the committee has considered the requirements of the QCA code.

The report is divided into three sections:

- This annual statement which summarises the activities of the Remuneration Committee during the year, remuneration outcomes for FY2024 and the operation of the Remuneration Policy for FY2025.
- The Remuneration Policy Report, which summarises our remuneration policy.
- The Directors annual report on remuneration, which discloses how the Remuneration Policy was implemented for FY2024.

### Membership

The Board has established a Remuneration Committee with approved Terms of Reference, which is comprised of Sarah Cope (Chair) and Richard Hickinbotham. The Committee reports to the Board in respect of its responsibilities. There were no changes to the Committee membership during the year.

### Committee responsibilities

The Remuneration Committee is responsible for reviewing Executive Directors' performance and determining their terms and conditions of service, including remuneration. The Committee also determines the Chairman's fee and senior management remuneration. Further information on the Committee responsibilities is set out in the Terms of Reference, at [www.directaplus.com](http://www.directaplus.com) or available on request from the Company Secretary.

### Key actions over the year

An outline of the key actions undertaken by the Committee in the year are set out below:

- Reviewed the performance of the CEO, CFO and senior management against the annual bonus targets for FY2024.
- Reviewed the remuneration levels for the CEO, CFO and senior management.
- Increased disclosure made in the Report and Accounts in respect of the Remuneration Policy and its operation.

Having regard to the adverse market conditions, inflation trends, high interest rates and the performance of the Group in 2024, and despite significant progress being made against the individual performance targets for the year, the Remuneration Committee, in agreement with Management, decided not to pay any bonus awards to the Group's executive team, save for a €5k payment to the Chief Financial Officer to reflect his significant contribution during the year. The Group deemed this to be an appropriate decision in order not to overload the cost structure.

### Committee meeting and attendance

The Committee met formally two times during the year. Details of attendance are on page 26. Additional attendees may include, at the Committee's request, the Chief Executive Officer, the Chief Financial Officer, and any remuneration consultants (if appointed). No Director is involved in discussions in respect of their own remuneration.

### Implementation of Remuneration Policy in FY2025

- No base salary increases were awarded to the CEO and CFO.
- Pension provision will continue to align with applicable collective agreements.
- Annual bonus potential will continue to be capped at 100% of base salary, based on financial and personal performance measures.
- The Committee is considering the terms of a proposed new Long Term Incentive plan in accordance with the Remuneration Policy and intends to consult with shareholders on the proposed scheme.
- No changes will be made to annual fees for the Chairman and Non-Executive Directors.

### Remuneration Policy report

This section sets out the Directors' Remuneration Policy. To deliver our strategy, the primary objectives of our Policy are to:

- Operate a transparent, simple, and effective remuneration structure, which encourages the delivery of our targets in accordance with our business plan.
- Motivate and retain people of the highest calibre, providing appropriate short- and long-term variable pay (dependent upon challenging performance conditions).
- Promote the long-term success of the Group, and to ensure our policy aligns with the interests of, and feedback from, our shareholders; and
- Offer a competitive remuneration structure, attracting skilled executives to deliver the growth strategy.

The Remuneration Committee follows the principles of good corporate governance in relation to the structure of its remuneration policy and, accordingly, takes account of the QCA Code which has been adopted by the Board.

### Directors' remuneration and Service Contracts

The normal remuneration arrangements for Executive Directors consists of base salary, performance bonuses and other benefits as determined by the Remuneration Committee. Each of the Executive Directors has a service agreement that can be terminated at any time by either party giving notice, the length of such notice period being determined pursuant to the applicable National Collective Bargaining Agreement (NCBA), governed by Italian law, depending upon accrued length of service.

Non-Executive Directors are remunerated solely in the form of Director fees determined by the Board and are not entitled to pensions, annual bonuses or employee benefits. Each of the Non-Executive Directors' appointment may be terminated by either party giving three months' prior written notice.

### Summary of Directors Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to deliver the Group's growth strategy	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group	–	–
Benefits	To provide market competitive benefits package	Benefits may include private medical insurance, life assurance, income protection, car allowance and other benefits in line with market practice	–	–
Pension	To provide an appropriate level of retirement benefit	In line with the applicable collective agreements. Contributions may be provided through defined contribution plans and/or as a cash allowance, subject to applicable legal and tax limits	In line with legal requirements and national collective agreements applicable to executives	–
Annual bonus	To reward performance against annual financial and personal targets that support the strategic direction of the Group	Bonus awards based on performance and review by Remuneration Committee	100% of salary	Financial and/or personal/strategic targets
LTIP*	To drive and reward the achievement of longer-term objectives, support retention and to provide long-term value for shareholders	3-year performance plan. Vesting of nominal cost share options is subject to the achievement of challenging performance conditions. Awards are subject to malus/clawback provisions. A two-year post-vesting holding period will apply	One-off award of up to 200% of salary	Performance metrics linked to financial and/or share price and/or strategic performance
Non-Executive Directors	To attract independent Non-Executive Directors with the required skills and experience to support the Group's development and governance	Fees are reviewed annually. Travel and other reasonable expenses incurred can be reimbursed	–	–

\* At the date of this report the Remuneration Committee is considering the terms of a proposed new Long Term incentive plan for Executive Directors and senior management in accordance with the Remuneration Policy. The Committee intends to consult shareholders on the terms of the new scheme. The previous Long Term incentive plan (2020) was based on share price performance for the award of market price options and has concluded.

# Remuneration Committee report

continued

## Annual Report on Remuneration

### Implementation of the Policy for year ended 31 December 2024

The remuneration of the Directors, in Euros, for the year ended 31 December 2024 was as follows:

	Salary/Fees €'000	Bonus €'000	National Insurance contributions €'000	Pension contributions €'000	Total emoluments 2024 €'000
<b>2024</b>					
<b>Non-Executive Chairman</b>					
Richard Hickinbotham	77	–	–	–	77
<b>Executive</b>					
Giulio Cesareo	381	–	1	19	401
Giorgio Bonfanti	152	5	9	35	201
<b>Non-Executive</b>					
Wesley Clark	47	–	–	–	47
Sarah Cope	47	–	–	–	47
<b>Total</b>	704	5	10	54	773

	Salary/Fees €'000	Bonus €'000	National Insurance contributions €'000	Pension contributions €'000	Total emoluments 2023 €'000
<b>2023</b>					
<b>Non-Executive Chairman</b>					
Richard Hickinbotham	75	–	–	–	75
<b>Executive</b>					
Giulio Cesareo	375	–	–	18	393
Giorgio Bonfanti	138	–	9	32	179
<b>Non-Executive</b>					
Wesley Clark	46	–	–	–	46
Sarah Cope	46	–	–	–	46
<b>Total</b>	680	–	9	50	739

The variation in reported remuneration for Non-Executive Directors, and partially for Executive Directors, compared to 2023 is primarily due to fluctuations in EUR/GBP exchange rates.

During 2024, the CEO assumed additional responsibilities in Setcar to support the company's reorganisation. This led to an adjustment to the CEO's remuneration during the year. Separately, following a decision taken by the Remuneration Committee in June 2023, the CFO's remuneration was gradually increased in two tranches during the second half of 2023 and early 2024, reflecting an expansion of his financial and operational oversight responsibilities across the Group. In addition, the CFO received a gross bonus of €5k in 2024 in recognition of his performance during the year.



### Share awards vesting in the year

33,806 share awards vested during the year ended 31 December 2024. These awards relate to a portion of the grant made to the CFO in June 2021 under the 2020 Share Plan, which vested as a result of market conditions met during the first year of the vesting period.

### Share awards granted in the year

No LTIP awards were granted to the Executive Directors in FY2024. There have been no awards made under the 2020 Share Plan, which is now closed, since June 2021.

### Directors' interests in shares

At 31 December 2024 the Directors' interests in the ordinary share capital of the Company were as follows:

#### Directors' interests

Director	Number of ordinary shares	Percentage of issued share capital	Number of vested ordinary shares under option	Number of unvested ordinary shares under option
Giulio Cesareo*	4,302,674	4.12	400,000	–
Giorgio Bonfanti	16,666	0.02	33,806	–
Richard Hickinbotham	266,666	0.26	60,000	–
Wesley Clark	–	–	–	–
Sarah Cope	27,777	0.03	–	–

\* Giulio Cesareo and his family are the sole beneficiaries of 4,302,674 ordinary shares held by Galbiga Immobiliare S.r.l. that are included in the above holding of ordinary shares.

The Chairman holds a total of 60,000 vested ordinary shares under a previous share option plan, a legacy from the initial remuneration package assigned to Non-Executive Directors in the context of the Company's IPO in 2016 and following his appointment as a Non-Executive Director in 2017. There have been no additional option awards under the NED share scheme which was subject only to market conditions, with an exercise price of 75 pence/share. The Remuneration Committee and the Board of Directors have no intention of issuing share options to Non-Executive Directors in the future.

The terms of the share options plans in place are reported in Note 25.

### Sarah Cope

Chair of the Remuneration Committee  
2 June 2025

# Audit Committee report

## Dear Shareholder

On behalf of the Audit Committee (the Committee), I am pleased to present the Committee's report for the year ended 31 December 2024.

## Membership of the Committee

The Committee consists of two independent Non-Executive Directors, myself as Chair and Wesley Clark. The Board believes that the Committee members have the relevant skills and experience required to fulfil their duties in accordance with the Committee's terms of reference.

## Terms of Reference of the Committee

The Committee is established by and is responsible to the Board. It has written terms of reference which can be found on our website or are available on request from the Company Secretary. The Terms of Reference are reviewed annually.

The Audit and Risk Committee is responsible for reviewing financial disclosure, reporting and compliance matters and for monitoring the internal controls and key corporate risks. Its focus is to ensure the risk management processes are adaptable and relevant in an ever-changing business environment.

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- The integrity of the Group's financial and narrative statements and other financial information provided to shareholders;
- The effectiveness of its internal control and risk management procedures; and
- The Company's attitude to and appetite for risk and its future risk strategy.

The Committee is responsible for reviewing the Group's financial reporting and related matters including the Annual and Interim financial statements before their submission to the Board. Specifically, the Committee is required to consider the accounting policies and practices adopted by the Group and significant areas of judgement that could materially impact reported financial information.

The Committee receives the report from the Group's external auditors and assesses their recommendations. The Committee advises the Board on the appointment, independence and effectiveness of the external auditor and on their remuneration. The Committee also discusses and agrees the planning, scope and timing of the statutory audit with the external auditor.

## Committee meetings and attendance

The Committee met formally four times during the year. Details of attendance are on page 26.

The Chief Financial Officer and the External Auditor regularly attend the meetings of the Committee. The Company Secretary acts as secretary to the Audit Committee. Other individuals, such as other Board members, senior management, and external advisers, may be invited to attend for all or part of any meeting.

## Committee activities during the year

In relation to the integrity of the full-year financial statements and interim and preliminary reporting, the Committee completed the following activities during the year:

- Reviewed the announcements of the Company's financial results, including the interim financial statements and preliminary results announcement. Focused on key areas of judgement and complexity, critical accounting policies, disclosures, viability and going concern assessments, provisioning and any changes required in these areas or policies;
- Reviewed and approved the FY24 Annual Report and Accounts for submission to the Board;
- Reviewed the financial statements to ensure compliance with applicable accounting standards and statutory and listing requirements;
- Considered reports from management and the External Auditor, discussing key matters, including the appropriateness and consistent application of accounting policies;
- Focused on significant areas of accounting judgement and estimation in preparing the financial statements, noting the key area of revenue recognition;
- Considered the Group's quality of earnings and cash flow. The Committee assessed whether the review of tangible and intangible assets across the Group had considered the depreciation or amortisation adjustments correctly;
- Considered the assumptions used to support the adoption of the going concern basis of accounting;
- Assessed the independence and effectiveness of the External Auditor;
- Reviewed the Audit Planning Report with the External Auditor, approving the audit fees for FY24;
- Considered and approved the updated Risk Register for the year ahead, reviewing the associated controls and mitigating actions;
- Kept under review key policies for Whistleblowing Policy and Anti-bribery and Corruption; and
- Considered whether there was a requirement to develop an internal audit function.

The Committee did not report on any major issues or raise any material concerns in respect of the above matters.

## Key actions over the year

### Effectiveness of the risk management and internal control systems

The Board has delegated responsibility to review adequacy and effectiveness of the Group's risk management framework and system of internal controls to the Committee. We have an established framework for risk management and internal control systems, policies, and procedures, described on pages 21 to 23. We continue to develop and review our risk management processes to ensure they remain relevant in an ever-changing environment.

The Committee reviewed the Group's Corporate and Operational Risk Registers, including an assessment of our principal and emerging risks, and any changes to risk levels. We deliberated the potential impact and probability of such events occurring. We then requested an in-depth review of key risks during the period to evaluate the effectiveness of the risk management system and the internal controls in place. The Committee approved the Risk Register.

The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, they can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Committee reported to the Board on that basis.

### Internal audit function

The Committee considered whether it was appropriate to develop an internal audit function. We considered the nature of operations, the experience and skill of the management team. The Committee believes management can be confident of the adequacy and effectiveness of its internal controls and risk management procedures, without the need for an internal audit function. However, we will keep this under ongoing review.

### External Audit independence and effectiveness

The Committee assesses the ongoing effectiveness and quality of the External Auditor (BDO) and audit process through several methods, including a review of the detailed audit plan presented to the Committee at the start of the audit cycle, the external audit strategy and BDO's audit findings of the consolidated financial statements for FY2024.

The Committee and BDO reviewed the key audit risks we had identified as part of the external audit.

BDO identified a number of key areas of audit focus for the financial year, which were discussed in detail with the Audit Committee. These included: management override of controls; revenue recognition (particularly around cut-off and existence); going concern assumptions given cash burn and funding horizon; the carrying value of goodwill, property, plant and equipment and intangible assets; impairment of investments at parent company level; as well as the recoverability of receivables and valuation of inventory. These areas represent heightened audit attention, and were discussed with the Committee at the planning, execution and completion stage of the audit. The External Auditor did not provide any material non-audit services.

### Annual Financial Statements and Going Concern

We have reviewed the contents of this Annual Report, and consider it to be fair, balanced, and understandable. We believe the report provides the information necessary for shareholders to assess the Group's strategy, business model, position and performance.

The Committee also reviewed the Group's prospects and viability. We recommended to the Board the adoption of the going concern basis of accounting in preparing the Group's financial statements.

### Sarah Cope

Chair of the Audit Committee  
2 June 2025

# Independent auditor's report

to the members of Directa Plus Plc

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Directa Plus plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated and Company statement of Cash Flows and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Material uncertainty related to going concern

We draw attention to Note 1(a)(i) in the financial statements, which indicates that the Parent Company and the Group are dependent on raising additional funding in the event that reasonably plausible downside scenarios occur, which is not guaranteed. As stated in Note 1(a)(i), these events or conditions, along with other matters as set forth in Note 1(a)(i), indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate. Our opinion is not modified in respect of this matter.

Given the material uncertainty noted above and our risk assessment, we considered going concern to be a Key Audit Matter.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting and in response to the Key Audit Matter included the following:

- obtaining the Directors' analysis and the associated cash flow forecasts in respect of the Directors' assessment of going concern and challenging the key underlying judgments and assumptions. This included assessing the reasonableness of the assumptions over revenue, operating and capital expenditures using our knowledge of the business and by comparing forecasts against recent actuals;
- agreeing cash balances used in the forecast close to the date of approval of these financial statements, by tracing cash positions to bank statements;
- assessing managements accuracy at forecasting the Group's future ability to generate cash flows by comparing forecast Earnings Before Interest and Tax ("EBIT") to 2024 actuals and obtaining explanation for any variances;
- obtaining and challenging Management's cash flow forecast and downside scenario tests, and performing our own sensitivities, which included determining the point at which liquidity breaks. The key inputs and assumptions assessed included reducing and delaying future revenue and reducing profit margins;
- testing the mathematical accuracy and integrity of the forecast and agreeing the current cash resources to supporting documentation; and
- reviewing the adequacy and completeness of disclosures in the financial statements in respect of going concern based on the management's going concern assessment.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Overview

	2024	2023
<b>Key audit matters</b>		
Going Concern	✓	✓
Recoverability of Group's non-current assets and investment in subsidiary undertakings (parent company)	✓	✓
Net realisable value of inventory	✓	✗
Revenue and profit recognition for long-term contracts	✗	✓
Revenue and profit recognition for long-term contracts is no longer considered to be a key audit matter following the completion of its long-term contract during 2024.		
<b>Materiality</b>	Group financial statements as a whole €100,000 (2023: €160,000) based on 1.5% (2023: 1.5%) of revenue.	



## An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

### Components in scope

From the above risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

As part of performing our Group audit, we have determined there to be 3 components in scope. In determining these components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included procedures on the entire financial information of the component, including performing substantive procedures.

### Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	Directa Plus plc	Directa Plus plc (parent company)	Statutory audit and procedures on the entire financial information of the component.
2	Setcar	Setcar S.A.	Statutory audit and procedures on the entire financial information of the component.
3	Directa Plus S.p.A.	Directa Plus S.p.A. and Directa Textile Solutions S.r.l.	Statutory audit and procedures on the entire financial information of the component.

The audits of the Romanian and Italian components were performed in Romania and Italy respectively, by local auditors in Romania and Italy. The audits of the parent company and the Group consolidation were performed in the United Kingdom by the Group audit team.

### Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls and similarity of the Group's activities and business lines in relation to consolidation, going concern and areas of significant estimate and judgement. We therefore designed and performed procedures centrally by the Group audit team in these areas. In addition, the Group audit team performed additional procedures to those performed by the component auditor in respect of the significant risks included as Key Audit Matters.

### Disaggregation

The financial information relating to management override of controls and revenue recognition is disaggregated across the Group. We took a decentralised approach to responding to this risk. We performed procedures at the component level in relation to this risk in order to obtain assurance over the population of Group balances.

### Locations

Directa Plus plc's operations are spread over Italy and Romania. As part of our audit we visited the operations in Romania. The audit work over the entities in Italy was performed remotely by the Group Engagement team.

### Changes from the prior year

There have been no significant changes on the Group audit scope from the prior year.

### Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls throughout the audit, reviewing component auditor documentation remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter set out in the material uncertainty related to going concern section of our report, we determined the matters described below to be the key audit matters to be communicated in our report.



# Independent auditor's report

continued

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Recoverability of Group's non-current assets and investment in subsidiary undertakings (parent company)</b> The applicable accounting policies are detailed in Note 2 (h) and disclosures in Notes 11, 12 and 13 and the applicable judgements applied in Note 1(d). Further information is disclosed in Notes 11, 12 and 13.</p> <p>The Group's consolidated statement of financial position includes significant non-current assets, comprising intangible assets (including goodwill), and property, plant, and equipment. The Parent Company's statement of financial position also contains a material investment in its subsidiary undertakings. As at 31 December 2024, the carrying amounts of these assets were material to both the Group and Parent Company financial statements.</p> <p>In accordance with International Accounting Standard (IAS) 36, Impairment of Assets, management is required to test goodwill for impairment annually. Other non-current assets and the Parent Company's investments in subsidiaries are required to be tested for impairment where an indicator of impairment exists. During the year ended 31 December 2024, several such indicators were present for the Group, including:</p> <ul style="list-style-type: none"> <li>Continued operating losses.</li> <li>A significant decline in the Group's market capitalisation.</li> <li>Factors contributing to a material uncertainty related to the Group's ability to continue as a going concern.</li> </ul> <p>Management's assessment of the recoverable amount of these assets and investments involves significant judgment and estimation, particularly in:</p> <ul style="list-style-type: none"> <li>Forecasting the future financial performance and cash flows of the CGUs (including revenue growth, profit margins, and costs).</li> <li>Estimating terminal values and long-term growth rates.</li> <li>Selecting appropriate inputs for Fair Value Less Costs of Disposal (FVLCD) models, such as market multiples.</li> </ul> <p>Given the materiality of these balances, the significant estimation uncertainty involved, and the presence of impairment indicators, we identified the recoverability of the Group's non-current assets and the Parent Company's investment in its subsidiary undertakings as a key audit matter.</p> <p><b>Key observations</b></p> <p>Based on the procedures performed, we found the judgements and estimates made by management in the impairment assessment of the Group's non-current assets and investment in subsidiary undertakings to be reasonable.</p>	<p>We obtained an understanding of and evaluated management's processes and controls for identifying impairment indicators and performing impairment assessments for both the Group's CGUs and the Parent Company's investments in subsidiaries.</p> <p>Our audit of impairment included the following procedures:</p> <ul style="list-style-type: none"> <li>We evaluated the methodology used by management to test impairment against the requirements of IAS 36, Impairment of Assets. This included assessing managements determination of cash generating units ("CGU's");</li> <li>We evaluated the appropriateness of each CGU's forecast cash flows by understanding management's process for forecasting cash flows, and considering the historical accuracy of management's projections through comparing actual results to previous forecasts.</li> <li>We corroborated the assumptions in the cashflow forecasts to supporting information where it was available;</li> <li>Based on our assessment of managements forecasting accuracy and the availability of information to support the cash flow projections, with assistance from our audit experts, we performed our own independent valuation assessments to corroborate the outcome of management's assessment. This involved performing fair value less cost of disposal calculations based on comparable quoted companies in the same sector.</li> <li>In respect of the Graphene CGU, we analysed recent sales and capital expenditure data to determine if sub families within the CGU carrying value was recoverable, and where they were not, recalculated the impairment charges recognised by management.</li> <li>We reviewed the adequacy of the Group's disclosures in the financial statements concerning the impairment testing of non-current assets and investments, including the key assumptions used to ensure compliance with IFRS.</li> </ul>
<p><b>Net realisable value of inventory</b> The applicable accounting policies are detailed in Note 2 (f) and disclosures in Note 5 and the applicable judgements applied in Note 1(d). Further information is disclosed in Note 5.</p> <p>The Group holds a material balance of inventory, predominantly within its Italian subsidiaries.</p> <p>IAS 2 Inventories requires inventory to be stated at the lower of cost and net realisable value ("NRV"). The determination of NRV and any required provisions for obsolete or slow-moving inventory involves significant management judgment and estimation. This includes assessing future demand, and the physical condition of inventory items.</p> <p>Given the significant carrying amount of inventory in the Italian subsidiaries, the decline in sales in 2024, and the significant management judgments and estimates involved in determining net realisable value, we assessed there was a significant risk that the inventories' net realisable value was not recoverable.</p> <p>We therefore considered this to be a key audit matter.</p> <p><b>Key observations</b></p> <p>Based on the procedures performed, we did not identify any matters to suggest that the net realisable value of inventory was inappropriate.</p>	<p>Our audit procedures were designed to assess the reasonableness of management's judgments and estimates related to inventory valuation, including the recoverability of net realisable value and obsolescence provisioning for the Italian operations. The procedures we performed included:</p> <ul style="list-style-type: none"> <li>We obtained and reviewed management's inventory listings, their policy for identifying and providing for obsolete and slow-moving inventory, and their calculations for the year-end provision.</li> <li>We attended physical inventory counts at the Italian subsidiaries, which included procedures to identify and physically inspect aged and potentially obsolete stock to assess its condition and support our evaluation of management's provisioning.</li> <li>We obtained and critically evaluated the inventory provisioning policy applied by management for the 2024 year-end. Our evaluation focused on the specific criteria used for identifying and providing for obsolete and slow-moving inventory, to check that these criteria are in line with the requirements of IAS 2, particularly considering the reduction in sales in the Italian operations during 2024 and the aging profile of the inventory held.</li> <li>Using management's inventory provisioning policy, we recalculated management's inventory provision. This involved reperforming the calculation and corroborating the accuracy of the information used in the calculation, including aging of inventory and sales / consumption data to identify slow-moving and potentially obsolete items.</li> <li>In connection with assessing the inputs to the provision, we also evaluated the reasonableness of management's underlying demand forecasts for key product lines by comparing these against historical sales trends, considering actual sales patterns observed post year-end, and, where available, relevant industry benchmarks.</li> <li>We challenged management over whether the revision to their inventory provisioning policy was a change in accounting estimate or a correction of an error, by considering the circumstances that had led to the revision in line with the requirements of IAS 8.</li> </ul>

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level,

performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024	2023	2024	2023
<b>Materiality</b>	€100,000	€160,000	€40,000	€60,000
<b>Basis for determining materiality</b>	1.5% of revenue		2% of net assets capped at 40% of Group Materiality	
<b>Rationale for the benchmark applied</b>	Revenue has been selected as we consider it to be the most relevant benchmark as the Group has entered into mainstream trading and service related business activities.		Directa Plus plc is a holding company with investments in subsidiaries. We have therefore considered net assets to be the most appropriate benchmark.  Materiality was capped at a percentage of Group materiality given the assessment of the component's aggregation risk.	
<b>Performance materiality</b>	€70,000	€120,000	€35,000	€45,000
<b>Basis for determining performance materiality</b>	70% of materiality (2023: 75%).		50% of Group's performance materiality	75% of materiality
<b>Rationale for the percentage applied for performance materiality</b>	In reaching our conclusion on the level of performance materiality to be applied we considered a number of factors including the expected total value of known and likely misstatements (based on past experience) and our knowledge of the Group's and Company's internal controls.			

### Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 50% and 93% (2023: 38% and 88%) of Group performance materiality dependent on a number of factors including potential significant risks of material misstatements at the component, relative size of components, extent of disaggregation of the financial information across components, control environment our assessment of the risk of material misstatement of those components. Component performance materiality ranged from €35,000 to €65,000 (2023: €45,000 to €105,000).

### Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of €2,000 (2023: €3,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

# Independent auditor's report

continued

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the document entitled 'annual report' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, UK adopted international accounting standards, UK tax legislation, the QCA Corporate Governance Code and the AIM Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law and applicable health and safety legislation.



Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Considering the significant laws and regulations of Italy, Romania and the UK to be those relating to the industry, financial reporting framework, tax legislation and the listing rules;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition.

Our procedures in respect of the above included:

- We addressed the fraud risk in relation to revenue recognition, by testing revenue transactions to supporting documentation, including testing a sample of revenue transactions around the year end to check that revenue was recognised in the correct period; and testing a sample of revenue journal entries throughout the year, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias;
- Assessing the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and determined these areas to be management override of control and bias in accounting estimates.

- Performing a detailed review of the Group's year-end adjusting entries and investigating any that appear unusual as to nature or amount and agreeing to supporting documentation;
- Assessing whether the judgements and assumptions made in accounting estimates were indicative of a potential bias; and
- Directing the component auditors to ensure an assessment is performed on the extent of the components compliance with the relevant local and regulatory framework.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component auditors, who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Peter Acloque** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

2 June 2025

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*



# Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	31 Dec 2024 €	31 Dec 2023 €
<b>Continuing operations</b>			
Revenue	3	6,661,117	10,530,395
Other income	3	165,062	332,963
Changes in inventories of finished goods and work in progress		(41,531)	(247,961)
Inventory write-off	5	(343,946)	–
Raw materials and consumables used	6	(2,727,179)	(5,350,490)
Employee benefits expenses	7	(4,464,507)	(4,444,577)
Depreciation and amortisation	11/12	(1,186,301)	(1,270,193)
Impairment of intangible assets	11	(69,444)	–
Other expenses	8	(3,409,765)	(3,734,813)
<b>Results (used in) operating activities</b>		<b>(5,416,494)</b>	<b>(4,184,676)</b>
Finance income	9	204,767	72,270
Finance expenses	9	(162,391)	(194,660)
<b>Net finance costs</b>		<b>42,376</b>	<b>(122,390)</b>
<b>Loss before tax</b>		<b>(5,374,118)</b>	<b>(4,307,066)</b>
Tax income	10	–	31,718
<b>Loss after tax from continuing operations</b>		<b>(5,374,118)</b>	<b>(4,275,348)</b>
<b>Loss of the year</b>		<b>(5,374,118)</b>	<b>(4,275,348)</b>
<b>Other Comprehensive expense items that will not be reclassified to profit or loss</b>			
Defined Benefit Plan re-measurement gains and losses	20	18,154	(10,769)
<b>Other comprehensive expense/income for the year (no tax impact)</b>		<b>18,154</b>	<b>(10,769)</b>
<b>Total comprehensive expense for the year</b>		<b>(5,355,964)</b>	<b>(4,286,117)</b>
<b>Loss attributable to</b>			
Owner of the Parent		(5,140,237)	(3,856,103)
Non-controlling interests		(233,881)	(419,245)
		<b>(5,374,118)</b>	<b>(4,275,348)</b>
<b>Total comprehensive expense attributable to:</b>			
Owners of the Company		(5,122,083)	(3,866,872)
Non-controlling interests		(233,881)	(419,245)
		<b>(5,355,964)</b>	<b>(4,286,117)</b>
<b>Loss per share</b>			
Basic loss per share	24	(0.06)	(0.06)
Diluted loss per share	24	(0.06)	(0.06)

The notes on pages 44 to 72 form part of these financial statements.

# Consolidated and Company statement of financial position

for the year ended 31 December 2024

		Group		Company	
	Note	31 Dec 24 €	31 Dec 23 €	31 Dec 24 €	31 Dec 23 €
<b>Assets</b>					
Intangible assets	11	1,169,681	1,436,684	–	–
Investments	13	–	–	5,331,814	18,622,777
Property, plant and equipment	12	2,962,133	3,290,809	–	–
Other receivables	14	3,998	162,923	–	–
<b>Non-current assets</b>		<b>4,135,812</b>	<b>4,890,416</b>	<b>5,331,814</b>	<b>18,622,777</b>
Inventories	5	686,023	881,450	–	–
Trade and other receivables	14	1,936,194	4,396,748	98,641	96,265
Cash and cash equivalent	16	4,981,138	2,393,303	4,128,402	1,024,286
<b>Current assets</b>		<b>7,603,355</b>	<b>7,671,501</b>	<b>4,227,043</b>	<b>1,120,551</b>
<b>Total assets</b>		<b>11,739,167</b>	<b>12,561,917</b>	<b>9,558,857</b>	<b>19,743,328</b>
<b>Equity</b>					
Share capital	17	318,617	205,469	318,617	205,469
Share premium	17	46,569,021	39,181,789	46,569,021	39,181,789
Foreign Currency Translation Reserve	17	(80,356)	(44,902)	–	–
Accumulated losses	17	(39,730,204)	(33,882,143)	(37,504,853)	(19,770,339)
<b>Equity attributable to owners of Group</b>		<b>7,077,078</b>	<b>5,460,213</b>	<b>9,382,785</b>	<b>19,616,919</b>
Non-controlling interests	17	73,531	1,121,911	–	–
<b>Total equity</b>		<b>7,150,609</b>	<b>6,582,124</b>	<b>9,382,785</b>	<b>19,616,919</b>
<b>Liabilities</b>					
Loans and borrowings	18	853,165	1,528,108	–	–
Lease liabilities	19	448,195	183,056	–	–
Employee benefits provision	20	207,633	357,520	–	–
Other payables	21	–	64,014	–	–
<b>Non-current liabilities</b>		<b>1,508,993</b>	<b>2,132,698</b>	<b>–</b>	<b>–</b>
Loans and borrowings	18	852,253	742,904	–	–
Lease liabilities	19	175,941	206,509	–	–
Trade and other payables	21	2,031,066	2,856,835	176,072	126,409
Provision	22	20,305	40,847	–	–
<b>Current liabilities</b>		<b>3,079,565</b>	<b>3,847,095</b>	<b>176,072</b>	<b>126,409</b>
<b>Total liabilities</b>		<b>4,588,558</b>	<b>5,979,793</b>	<b>176,072</b>	<b>126,409</b>
<b>Total equity and liabilities</b>		<b>11,739,167</b>	<b>12,561,917</b>	<b>9,558,857</b>	<b>19,743,328</b>

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 €17,665,515 (2023: €14,509,549). The loss in 2024 was mainly attributable to the impairment loss on the investment held by Directa Plus plc in Directa Plus S.p.A. for a total amount of c. €16.9 million. An impairment trigger was identified following a decrease in the market capitalisation of the Group over the last 12 months.

The financial statements were approved and authorized for issue by the board and were signed on its behalf by:

**Giulio Cesareo**

Chief Executive Officer

Date: 2 June 2025

Company registered number: 04679109

The notes on pages 44 to 72 form part of these financial statements.



## Consolidated statement of changes in equity

for the year ended 31 December 2024

	Share capital €	Share premium €	Foreign currency translation reserve €	Accumulated deficit €	Total €	Non-controlling interests €	Total equity €
<b>Balance at 31 December 2022</b>	205,469	39,181,789	(39,161)	(30,069,843)	9,278,254	1,546,887	10,825,141
<b>Total comprehensive expense for the year</b>							
Loss of the year	–	–	–	(3,856,103)	(3,856,103)	(419,245)	(4,275,348)
Total other comprehensive expense	–	–	–	(10,769)	(10,769)	–	(10,769)
<b>Total comprehensive expense for the period</b>	–	–	–	(3,866,872)	(3,866,872)	(419,245)	(4,286,117)
Translation reserve	–	–	(5,741)	–	(5,741)	(5,731)	(11,472)
Share-based payment	–	–	–	54,573	54,573	–	54,573
<b>Balance at 31 December 2023</b>	205,469	39,181,789	(44,902)	(33,882,143)	5,460,213	1,121,911	6,582,124
<b>Total comprehensive expense for the year</b>							
Loss of the year	–	–	–	(5,140,237)	(5,140,237)	(233,881)	(5,374,118)
Total other comprehensive income	–	–	–	18,154	18,154	–	18,154
<b>Total comprehensive expense for the period</b>	–	–	–	(5,122,083)	(5,122,083)	(233,881)	(5,355,964)
Capital raised	113,148	8,033,534	–	–	8,146,682	–	8,146,682
Expenditure related to the issuance of shares	–	(646,302)	–	–	(646,302)	–	(646,302)
Acquisition of 48,95% Setcar	–	–	–	(649,237)	(649,237)	(814,499)	(1,463,736)
Translation reserve	–	–	(35,454)	–	(35,454)	–	(35,454)
Share-based payment	–	–	–	(76,741)	(76,741)	–	(76,741)
<b>Balance at 31 December 2024</b>	318,617	46,569,021	(80,356)	(39,730,204)	7,077,078	73,531	7,150,609

## Company statement of changes in equity

for the year ended 31 December 2024

	Share capital €	Share premium €	Accumulated deficit €	Total equity €
<b>Balance at 31 December 2022</b>	205,469	39,181,789	(5,346,322)	34,040,936
Loss for the year	–	–	(14,509,549)	(14,509,549)
Share-based payment	–	–	85,532	85,532
<b>Balance at 31 December 2023</b>	205,469	39,181,789	(19,770,339)	19,616,919
Loss for the year	–	–	(17,665,515)	(17,665,515)
Capital raised	113,148	8,033,534	–	8,146,682
Cost directly attributable to the issuance of shares	–	(646,302)	–	(646,302)
Share-based payment	–	–	(68,999)	(68,999)
<b>Balance at 31 December 2024</b>	318,617	46,569,021	(37,505,853)	9,382,785

The notes on pages 44 to 72 form part of these financial statements.



# Consolidated and Company statement of cash flows

for the year ended 31 December 2024

	Note	Group		Company	
		31 Dec 24 €	31 Dec 23 €	31 Dec 24 €	31 Dec 23 €
<b>Cash flows from operating activities</b>					
Loss for the year before tax		(5,374,118)	(4,307,066)	(17,665,515)	(14,509,549)
<i>Adjustments for:</i>					
Depreciation	12	741,264	817,611	–	–
Amortisation of intangible assets	11	445,037	452,582	–	–
Impairment on intangible assets	11	69,444	–	–	–
Impairment on assets under construction	11	134,121	–	–	–
Disposal loss on tangible and intangible assets		4,326	24,014	–	–
Share-based payment expense	7	(76,741)	54,573	(68,999)	85,532
Finance income	9	(204,767)	(72,270)	(115,751)	(39,214)
Finance expense		156,322	175,350	22,340	3,018
Interest of lease liabilities	9	6,069	19,310	–	–
Impairment on inventory		343,946	–	–	–
Impairment of investments	13	–	–	16,875,963	13,602,359
		(3,755,097)	(2,835,896)	(951,962)	(857,854)
<i>Decrease/(Increase) in:</i>					
– inventories		(148,518)	240,461	–	–
– trade and other receivables	14	2,619,479	(374,105)	(2,376)	18,619
– trade and other payables		(832,069)	712,208	49,663	4,136
– provisions and employee benefits		(208,610)	(224,170)	–	–
– Other provision	22	(20,542)	(150,150)	–	–
<b>Net cash used in operating activities</b>		(2,345,357)	(2,631,652)	(904,675)	(835,099)
<b>Cash flows from investing activities</b>					
Interest received	9	87,732	46,108	–	–
Investment in intangible assets		(247,451)	(213,538)	–	–
Acquisition/investment in subsidiary	13	(1,500,326)	–	(3,585,000)	(1,964,800)
Acquisition of property, plant and equipment		(100,547)	(271,281)	–	–
<b>Net cash used in investing activities</b>		(1,760,592)	(438,711)	(3,585,000)	(1,964,800)
<b>Cash flows from financing activities</b>					
Proceeds from capital raise net of issuance costs	17	7,500,380	–	7,500,380	–
Interest on loan and other financial costs	9	(143,459)	(159,225)	(22,340)	(3,018)
New borrowings	18	1,172,896	945,278	1,000,000	–
Repayment of borrowings	18	(1,738,490)	(820,084)	(1,000,000)	–
Repayment of lease liabilities		(215,714)	(244,762)	–	–
New lease liabilities		–	–	–	–
<b>Net cash from/(used in) financing activities</b>		6,575,613	(278,793)	(7,478,040)	(3,018)
<b>Net increase/(decrease) in cash and cash equivalent</b>		2,469,664	(3,349,156)	2,988,365	(2,802,917)
<b>Cash and cash equivalent at beginning of the year</b>		2,393,303	5,727,768	1,024,286	3,787,989
<b>Exchange gains on cash and cash equivalents</b>		118,171	14,691	115,751	39,214
<b>Cash and cash equivalent at end of the year</b>		4,981,138	2,393,303	4,128,402	1,024,286

The notes on pages 44 to 72 form part of these financial statements.

# Notes to the consolidated financial statements

for the year ended 31 December 2024

## 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 ("€").

### 1. 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, the working capital and other borrowing facilities available to it and from the issue of equity capital.

The conflicts in Ukraine and the Middle East, high inflation, increased tariffs in international trade policies, and increased interest rates by Central Banks have been an additional cause of uncertainty over the macro-economic outlook, affecting both the political and business environments. These events have had a significant impact on global economies and markets, and on the operations and operational funding of companies experiencing widespread inflationary cost pressures and supply chain disruption. In particular, certain sectors such as textiles and environmental services have been directly affected – the former by increased raw material and energy costs, and the latter by rising operational expenses and delays in public and private sector contracting – adding further pressure on businesses operating in these industries.

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

On 11 June 2024, the Group announced the launch of a fundraise of £6.9 million, by way of a placing and subscription, to fund the acquisition of the minority interests of its subsidiary, Setcar S.A., and to sustain the expected high growth of the business. The capital raise was effective after the shareholders' approval at a General Meeting held on 27 June 2024. As at 31 December 2024, the Group held cash and cash equivalents of €4.98 million (31 December 2023: €2.39 million) and is currently funded through €7.15 million of shareholder equity and €1.71 million of loans and bank debt, most of which are repayable over two years. As at 30 April 2025, the Group held €3.6m of gross cash.

The Directors prepared a cash flow forecast for the Group and the Parent Company for the period to December 2026, to assess if there is sufficient liquidity in place to support the plan and strategy for the future development of the Group. This forecast showed that the Group and the Parent Company will have sufficient financial headroom for the entire forecast period if reasonably plausible downside scenarios do not occur.

In addition, the Directors, in formulating the plan and strategy for the future development of the business, considered reasonably plausible downside scenarios including reductions in forecast revenues and gross margin and no renewal of any financial facilities. Under those stressed scenarios the Group could exhaust its cash resources before December 2026 and may therefore be required to raise additional funding which is not guaranteed.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as going concern and therefore, the Group and the Parent Company may be unable to realise their assets or discharge their liabilities in the normal course of business. The Directors review regularly updates to the scenario planning such that it can put in place mitigating actions and maintain the viability of the company and will keep stakeholders informed as necessary.

Based on the analysis above, the Directors have a reasonable expectation that, in the event of the reasonable plausible downside scenario occurring, the Group and the Company will be able to raise additional funding to facilitate the adequate resources to support their activities for the foreseeable future. The Directors have concluded that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The financial statements have therefore been prepared on the going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

### b) Basis of consolidation

#### 1. 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.

## 1. Basis of preparation continued

### II. 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.

### III. 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 Romanian Leu.

### 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

Management identified the following estimates for the preparation of the financial statements. The Group has not made any material judgments.

#### 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 25 to the financial statements.

#### II. Carrying value of goodwill, other intangible assets and PPE

The carrying value of goodwill, intangible assets and property, plant and equipment is tested annually for impairment in accordance with IAS 36. Management has assessed the recoverable amount of the relevant cash-generating units ("CGUs") using a combination of value in use ("VIU") calculations and qualitative indicators for CGUs in which the Group continues to invest and sees long-term commercial potential.

The VIU method involves estimating future cash flows derived from approved business plans and discounting them using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to each CGU. In addition, market multiples derived from comparable companies are considered as a cross-check to validate the results obtained through the VIU approach.

For CGUs still in development, management considered recent investments, ongoing commercial discussions, and forecasts of future expected cash flows.

As a secondary cross-check, management also considered both the Group's market capitalisation and market valuation multiples of comparable companies, which provided additional comfort on the reasonableness of the value in use calculations.

Given that the Group is still in a development phase for certain products and technologies, the projections used in the impairment assessment are inherently subject to a higher degree of estimation uncertainty.

Details of the assumptions used and the results of the impairment tests are provided in Note 11 to the financial statements.



# Notes to the consolidated financial statements

continued

## 1. Basis of preparation continued

### 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 over required provision for slow moving inventory including consideration of normal production capacity, market demand and selling opportunities. If actual demand or usage were to be lower than estimated, additional inventory provisions for excess or obsolete inventory may be required.

In response to the decline in revenue and lower inventory turnover during FY2024, the Group adopted a revised inventory provisioning policy. The new methodology introduces standardised provision rates based on inventory ageing, and expected future sales of finished goods and consumption of raw materials.

### IV. Investments

Judgement is required over the recoverability of any amounts invested into subsidiary companies, Management considers the Group's market capitalisation at the end of the reporting period as a potential indicator of impairment. The carrying value is determined by reference to value in use calculations. As each of the subsidiaries are owned (directly or indirectly) by the Company the creditworthiness of the subsidiary is the same as the creditworthiness of the Company. Further details are set out in Note 13.

### V. Expected credit losses on receivables

Revenue from product and service sales is recognised at a point in time, in line with IFRS 15. As part of the revenue recognition process, management performs an assessment of the recoverability of trade receivables at each reporting date.

This assessment involves estimating the expected credit losses ("ECL") on receivables, considering factors such as the customer's financial condition, historical payment behaviour, ageing of balances, and forward-looking information about economic and sector-specific conditions. Where necessary, specific provisions are recognised for credit-impaired receivables.

Further detail on trade receivables and associated credit risk is disclosed in Note 14 to the financial statements.

## 2. Material accounting policy information

### 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 amount 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.

## 2. Material accounting policy information continued

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.





# Notes to the consolidated financial statements

continued

## 2. Material accounting policy information continued

### 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, given the risk of technical obsolescence, 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-month basis.

## 2. Material accounting policy information continued

### 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, other intangible assets, and property, plant and equipment 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.



# Notes to the consolidated financial statements

continued

## 2. Material accounting policy information continued

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 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.

### 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).

## 2. Material accounting policy information continued

### 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.

### Changes in accounting standards

#### a) New standards, interpretations and amendments effective from January 2024

##### *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7*

The amendments introduce specific disclosure requirements related to supplier finance arrangements (sometimes known as reverse factoring or supply chain finance), including the terms and magnitude of such arrangements. These amendments are intended to improve transparency around the effects of these arrangements on an entity's liabilities and cash flows.

These amendments did not have a material impact on the Group's consolidated financial statements.

##### *Lease Liability in a Sale and Leaseback – Amendments to IFRS 16*

The amendments clarify the measurement of lease liabilities arising in sale and leaseback transactions, ensuring the seller-lessee does not recognise any gain or loss related to the retained right of use.

The amendments had no effect on the Group's consolidated financial statements.

##### *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants – Amendments to IAS 1*

The amendments clarify how to assess the classification of liabilities, including cases where the right to defer settlement is subject to compliance with future covenants. Additional disclosure is required about the risk of liabilities becoming repayable within twelve months after the reporting period.

These amendments did not affect the classification of the Group's liabilities, as the Group's long-term borrowings are not contingent on future covenant compliance within twelve months of year-end.

The new standard had no impact on the Group's consolidated financial statements.

# Notes to the consolidated financial statements

continued

## 2. Material accounting policy information continued

### b) New standards, interpretations and amendments not yet effective

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

Effective from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates): Provides guidance on how to determine the exchange rate when a currency is not exchangeable.

Effective from 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

Effective from 1 January 2027:

- IFRS 18 – Presentation and Disclosure in Financial Statements: This new standard will replace IAS 1 and introduce significant changes to the presentation of financial statements, including new subtotals and management-defined performance measures.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures: Provides disclosure simplifications for qualifying subsidiaries.

The Group is currently evaluating the potential impact of these new standards and amendments. IFRS 18 is expected to significantly affect the presentation and disclosure of items in the financial statements, although it will not impact recognition or measurement. The Group does not expect IFRS 19 to be applicable.

## 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 and CFO), 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 organised into the following segments:

- Textiles
- Environmental Remediation
- Others

Textiles and Environmental Remediation were considered by Management the most advanced strategic segments in terms of commercial readiness. Management's strategic needs are constantly monitored and an update of the segments will be provided if required.

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.



### 3. Operating segments continued

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.

	Textiles €	Environmental Remediation €	Others €	Head Office €	Consolidated €
<b>2024</b>					
Revenue	1,315,254	5,306,229	39,634	–	6,661,117
Cost of sales*	(811,523)	(2,381,906)	(31,826)	–	(3,225,255)
Inventory write-off	(343,946)	–	–	–	(343,946)
<b>Gross profit</b>	<b>159,785</b>	<b>2,924,323</b>	<b>7,808</b>	<b>–</b>	<b>3,091,916</b>
Other income	95,011	13,635	–	56,416	165,062
Other expenses:					
– R&D expenses	(11,068)	(7,644)	(4,700)	–	(23,412)
– Advisory	(90,712)	(450,366)	–	(1,091,226)	(1,632,304)
– Operating expenses	(183,546)	(3,246,544)	(32,840)	(2,299,081)	(5,762,011)
– Depreciation and amortisation	(112,858)	(557,507)	(45,563)	(470,400)	(1,186,328)
– Impairment of intangibles	–	–	(62,085)	(7,332)	(69,417)
<b>Operating profit/(loss)</b>	<b>(143,388)</b>	<b>(1,324,103)</b>	<b>(137,380)</b>	<b>(3,811,623)</b>	<b>(5,416,494)</b>
Net financial costs	–	–	–	42,376	42,376
Tax	–	–	–	–	–
<b>Profit/(loss) of the year</b>	<b>(143,388)</b>	<b>(1,324,103)</b>	<b>(137,380)</b>	<b>(3,769,247)</b>	<b>(5,374,118)</b>
Total assets	2,751,846	8,440,030	547,291	–	11,739,167
Total liabilities	1,936,726	2,586,226	78,606	–	4,588,558

\*Includes Changes in inventories of finished goods.

	Textiles €	Environmental Remediation €	Others €	Head Office €	Consolidated €
<b>2023</b>					
Revenue	3,203,752	7,229,677	96,966	–	10,530,395
Cost of sales*	(2,078,194)	(4,161,253)	(64,508)	–	(6,303,955)
<b>Gross profit</b>	<b>1,125,558</b>	<b>3,068,424</b>	<b>32,458</b>	<b>–</b>	<b>4,226,440</b>
Other income	62,251	16,295	112,515	141,902	332,963
Other expenses:					
– R&D expenses	(125,704)	–	(5,645)	–	(131,349)
– Advisory	(8,545)	(298,058)	(174,587)	(1,085,389)	(1,566,579)
– Operating expenses	(267,946)	(3,175,696)	(104,128)	(2,228,188)	(5,775,958)
– Depreciation and amortisation	(386,930)	(858,445)	(24,818)	–	(1,270,193)
<b>Operating loss</b>	<b>398,684</b>	<b>(1,247,480)</b>	<b>(164,205)</b>	<b>(3,171,675)</b>	<b>(4,184,676)</b>
Net financial costs	–	–	–	(122,390)	(122,390)
Tax	–	31,718	–	–	31,718
<b>Profit/(loss) of the year</b>	<b>398,684</b>	<b>(1,215,762)</b>	<b>(164,205)</b>	<b>(3,294,065)</b>	<b>(4,275,348)</b>
Total assets	3,991,458	7,839,333	731,126	–	12,561,917
Total liabilities	2,501,851	3,346,950	130,992	–	5,979,793

\*Includes Changes in inventories of finished goods.

# Notes to the consolidated financial statements

continued

## 3. Operating segments continued

	2024 €	2023 €
Sale of products	1,390,935	3,323,174
Sale of services	5,270,182	7,207,221
Government grants	95,000	160,015
Other	70,062	172,948
<b>Total income</b>	<b>6,826,179</b>	<b>10,863,358</b>

Geographical breakdown of revenues is:

	2024 €	2023 €
Italy	1,148,627	3,031,727
Romania	5,275,440	7,211,161
Rest of the world	237,050	287,507
<b>Total</b>	<b>6,661,117</b>	<b>10,530,395</b>

In 2024 the two main customers accounted for more than 41% of Group revenues for sales of products and services. This largest customer accounted for 30% of revenues (€2,015,184) and the second for 11% (€731,401).

Other Income of €165,062 mainly include Government Grants for €95,000 and R&D Expenditure Credit (RDEC) for €23,060. 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:

	2024 €	2023 €
Filiere	–	112,515
Ricerca e Innova	95,000	47,500
<b>Total</b>	<b>95,000</b>	<b>160,015</b>

In July 2023, the Company was awarded a project tender from the Italian Region of Lombardy as part of its Ricerca & Innova programme to further develop Graphene Plus (G+) air filtration applications. The 18-month project ended in December 2024. This award will enable Directa Plus to continue investing and developing its air filter applications, leveraging the antiviral and antimicrobial properties of its G+ technologies.

## 4. Government grants continued

The key terms of government grants are:

	Filiere	Ricerca e Innova
Starting date	2022	2023
Ending date	2023	2024
Duration (months)	12	18
Total amount	135,930	407,142
Final report submitted	Yes	Yes

There are no capital commitments built into the ongoing grants. Government grants have been recognised within other income in the income statement and as other receivables in the balance sheet.

## 5. Inventory

	2024 €	2023 €
Finished and semi-finished products	578,915	627,078
Raw material	342,172	144,880
Spare parts	109,492	109,492
<i>Write-off of inventory</i>	<i>(344,556)</i>	–
<b>Total</b>	<b>686,023</b>	<b>881,450</b>

In 2024, management revised its inventory provisioning policy in response to the decline in revenue, reduced inventory turnover, and an increased risk of obsolescence among aging stock.

The new policy reflects a more prudent, structured, and evidence-based approach, aiming to ensure that inventory is valued accurately and transparently in line with current market realities.

This resulted in a total provision of €344,556, related to items that were assessed as having limited recoverability under current commercial assumptions.

## 6. Raw materials and consumables used

	2024 €	2023 €
Raw materials and consumables	2,138,295	3,898,083
Textile products	588,884	1,452,407
<b>Total</b>	<b>2,727,179</b>	<b>5,350,490</b>

Costs related to raw materials, consumables and textile products decreased primarily due to the decline in sales and the impact of the revenue mix.

# Notes to the consolidated financial statements

continued

## 7. Employee benefits expenses

	2024 €	2023 €
Wages and salaries	3,928,616	3,797,869
Social security costs	391,314	456,405
Employee benefits	77,385	98,062
Share option (income)/expense	(76,741)	54,573
Other costs	239,894	141,536
<b>Total</b>	<b>4,560,468</b>	<b>4,548,445</b>
Capitalised cost in "Intangible assets"	(95,961)	(103,868)
<b>Total charged to the Income Statement</b>	<b>4,464,507</b>	<b>4,444,577</b>

The average number of employees (excluding Non-Executive Directors) during the period was as follows:

	2024	2023
Sales and Administration	27	30
Engineering, R&D and production	153	157
<b>Total</b>	<b>180</b>	<b>187</b>

The total average number of employees of the Group as at 31 December 2024 was 180 (2023: 187), of which 152 were employed by Setcar at year end (2023: 162).

The Directors' emoluments (including Non-Executive Directors) are as follows:

	2024 €	2023 €
Wages and salaries (including bonus and pension)	709,096	680,435
Social security costs	63,651	58,460
<b>Total</b>	<b>772,747</b>	<b>738,895</b>

The aggregate emoluments (wages, salaries and social contributions) of the highest paid Director totalled €401k (2023: €393k).

Personnel costs benefited from a net positive impact of €76,741, resulting from a reversal of share-based payment expenses amounting to €93,943, partially offset by new charges of €17,202.

A detailed analysis of the remuneration of the directors is detailed within the Directors' Remuneration Report on pages 28 to 31.

## 8. Other expenses

	2024 €	2023 €
Audit of the Group and Company financial statements	145,680	120,485
Audit of the subsidiaries' financial statements	47,840	45,504
Other non-audit services provided by Group's auditor	6,746	5,709
Tool manufacturing	89,133	281,182
Analyses & tests	21,572	101,180
Travel & Marketing	289,821	248,339
Technical consultancies	277,663	231,552
Shipping and logistic expenses	293,228	358,793
Insurance	170,484	189,551
IP expenses	51,719	44,087
Sales & business development	482,534	444,436
G&A	453,976	680,537
Rent	149,201	134,031
Maintenance	103,516	96,362
Utilities	41,590	48,748
Legal, tax and administrative consultancies	785,062	704,317
<b>Total other expenses</b>	<b>3,409,765</b>	<b>3,734,813</b>

Other expenses mainly include professional services (such as audit, legal, tax and administrative consultancies), R&D/technical consultancies and tests, travels, shipping/logistic and insurance.

## 9. Net Finance expenses

Finance expenses include:

	2024 €	2023 €
Interest Income	(87,732)	(46,108)
Interest on loans and other financial costs	143,459	159,225
Interest on lease liabilities	6,069	19,310
Interest cost for benefit plan	12,863	16,125
Foreign exchanges (gains)	(117,035)	(26,162)
<b>Total</b>	<b>(42,376)</b>	<b>122,390</b>

The Group benefited from positive interest income of €87,732, driven by sustained high market interest rates and a higher average balance of interest-bearing cash held during the year.

In addition, the Group recorded foreign exchange gains of €117,035 (2023: €26,162), further contributing to the improvement in financial income.



# Notes to the consolidated financial statements

continued

## 10. Taxation

	2024 €	2023 €
Current tax expense	–	(1,384)
Deferred tax recovery	–	33,102
<b>Total tax income</b>	<b>–</b>	<b>31,718</b>

### Reconciliation of tax rate

	2024 €	2023 €
Loss before tax	(5,374,118)	(4,307,066)
Italian statutory tax rate	24%	24%
	(1,289,788)	(1,033,696)
Impact of temporary differences	12,452	42,633
Losses recognised	(12,452)	(10,915)
Impact of tax rate in foreign jurisdiction	(47,898)	(44,936)
Losses not utilised	1,337,687	1,078,632
<b>Total tax income</b>	<b>–</b>	<b>31,718</b>

Tax losses are carried forward and not recognised as a deferred tax asset due to the uncertainty regarding generating future taxable profits.

## 11. Intangible assets

	Development cost €	Patents €	Goodwill €	Other €	Brands €	Total €
<b>Cost</b>						
<b>Balance at 31/12/2022</b>	3,410,311	992,787	293,995	290,982	371,073	5,359,148
Additions	103,868	120,769	–	1,813	–	226,450
Currency translation differences	(62)	–	(1,486)	(1,022)	(2,029)	(4,599)
<b>Balance at 31/12/2023</b>	3,514,117	1,113,556	292,509	291,773	369,044	5,580,999
Additions	95,961	151,490	–	–	–	247,451
Currency translation differences	1	–	27	18	37	82
<b>Balance at 31/12/2024</b>	<b>3,610,078</b>	<b>1,265,046</b>	<b>292,536</b>	<b>291,791</b>	<b>369,081</b>	<b>5,828,532</b>
<b>Amortisation</b>						
<b>Balance at 31/12/2022</b>	2,850,290	517,095	–	98,281	228,816	3,694,482
Amortisation 2023	259,029	107,185	–	12,138	74,230	452,582
Currency translation differences	(62)	–	–	(1,015)	(1,672)	(2,749)
<b>Balance at 31/12/2023</b>	3,109,257	624,280	–	109,404	301,374	4,144,315
Amortisation 2024	253,854	118,066	–	5,459	67,658	445,037
Impairment	–	69,444	–	–	–	69,444
Currency translation differences	–	–	–	6	49	55
<b>Balance at 31/12/2024</b>	<b>3,363,111</b>	<b>811,790</b>	<b>–</b>	<b>114,869</b>	<b>369,081</b>	<b>4,658,851</b>
<b>Carrying amount</b>						
Balance at 31/12/2022	560,021	475,692	293,995	192,701	142,257	1,664,666
Balance at 31/12/2023	404,860	489,276	292,509	182,369	67,670	1,436,684
<b>Balance at 31/12/2024</b>	<b>246,967</b>	<b>453,256</b>	<b>292,536</b>	<b>176,922</b>	<b>–</b>	<b>1,169,681</b>

As disclosed in Note 2(e) 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 carried out an impairment test on the goodwill arising from the acquisition of Setcar S.A. in 2019. The cash-generating unit (CGU) identified for the purposes of this assessment is Setcar S.A. itself, with a carrying amount of €2.3 million as at 31 December 2024.

The recoverable amount was determined using the value in use method, based on projected cash flows and a terminal value, discounted using a pre-tax rate that reflects market conditions and the risk profile of the CGU. Given the evolving nature of Setcar's operations, as the Group is still developing its products, the impairment test is subject to a high degree of estimation uncertainty.

As an additional cross-check, management also considered indicative valuation ranges derived from comparable company market multiples which provided further comfort on the reasonableness of the value in use assessment.

Separately, the Group also performed an impairment review of its intangible asset portfolio in accordance with IAS 36. For revenue-generating CGUs such as Textiles and Environmental, a value in use approach was applied. The projected cash flows supported the carrying values, and no impairment was recognised.

For CGUs still in early-stage development (such as Paints, Batteries and Outsole), management considered recent capitalised investments, ongoing commercial discussions with both prospective and existing customers, and the strategic relevance of these verticals. Based on this qualitative and forward-looking assessment, no impairment was recognised for these CGUs either.

The Group wrote off certain intangible assets, resulting in a total impairment charge of €69,444. These write-downs were made due to the lack of sufficiently tangible evidence to support near-term revenue generation.

The impairment review reflects the Group's transition towards a commercially driven phase, where investments are increasingly linked to monetisable applications. Management continues to monitor asset recoverability with prudence and discipline.



# Notes to the consolidated financial statements

continued

## 12. Property, plant and equipment

Cost	Industrial equipment €	Computer equipment €	Office equipment €	Plant & machinery €	Land €	ROU assets €	Under construction €	Total €
<b>Balance 31/12/2022</b>	2,011,729	87,093	141,151	4,743,296	587,723	779,128	2,362	8,352,482
Additions	107,973	1,787	4,181	22,455	–	–	134,885	271,281
Disposal	(64,123)	–	(1,964)	(91,897)	–	–	(2,362)	(160,346)
Currency translation differences	(13,238)	–	(540)	(17,381)	(3,214)	–	(764)	(35,137)
<b>Balance 31/12/2023</b>	2,042,341	88,880	142,828	4,656,473	584,509	779,128	134,121	8,428,280
Additions	45,895	10,741	7,685	36,226	–	450,285	–	550,832
Impairment	–	–	–	–	–	–	(134,121)	(134,121)
Disposal	(4,515)	–	–	(6,883)	–	–	–	(11,398)
Currency translation differences	246	–	15	318	59	–	–	638
<b>Balance 31/12/2024</b>	<b>2,083,967</b>	<b>99,621</b>	<b>150,528</b>	<b>4,686,134</b>	<b>584,568</b>	<b>1,229,413</b>	<b>–</b>	<b>8,834,231</b>
<b>Depreciation</b>								
<b>Balance 31/12/2022</b>	1,064,915	61,739	137,085	2,865,668	–	361,924	–	4,491,331
Depreciation	283,337	9,795	20,814	407,183	–	96,482	–	817,611
Reclass	31,842	–	(31,842)	–	–	–	–	–
Disposal	(64,057)	–	(1,964)	(84,437)	–	–	–	(150,458)
Currency translation differences	(8,942)	–	(451)	(11,620)	–	–	–	(21,013)
<b>Balance 31/12/2023</b>	<b>1,307,095</b>	<b>71,534</b>	<b>123,642</b>	<b>3,176,794</b>	<b>–</b>	<b>458,406</b>	<b>–</b>	<b>5,137,471</b>
Depreciation	294,612	9,163	17,139	323,868	–	96,482	–	741,264
Disposal	(188)	–	–	(6,883)	–	–	–	(7,071)
Currency translation differences	185	–	13	236	–	–	–	434
<b>Balance 31/12/2024</b>	<b>1,601,704</b>	<b>80,697</b>	<b>140,794</b>	<b>3,494,015</b>	<b>–</b>	<b>554,888</b>	<b>–</b>	<b>5,872,098</b>
<b>Carrying amounts</b>								
<b>Balance 31/12/2022</b>	946,814	25,354	4,066	1,877,628	587,723	417,204	2,362	3,861,151
<b>Balance 31/12/2023</b>	735,246	17,346	19,186	1,479,679	584,509	320,722	134,121	3,290,809
<b>Balance 31/12/2024</b>	<b>482,263</b>	<b>18,924</b>	<b>9,734</b>	<b>1,192,119</b>	<b>584,568</b>	<b>674,525</b>	<b>–</b>	<b>2,962,133</b>

The balance of Assets Under Construction at 31 December 2023 corresponded to engineering development costs incurred by Setcar in connection with the Liberty Galați project. Due to the customer's financial difficulties and the temporary suspension of the project, these assets were fully impaired during 2024 and derecognised from the statement of financial position.

Asset held under financial leases with a net book value of €700,600 are included in the above table within Industrial equipment and ROU.

The replacement cost of all property, plant and equipment exceeds its carrying value. No liability for the restoration of land has been recorded because it is expected to be used in perpetuity.

## 13. Investments in subsidiaries

Details of the Company's subsidiaries as at 31 December 2024 are as follows:

Subsidiaries	Country	Principal activity	Shareholding	
			2024	2023
Directa Plus S.p.A.	Italy	Producer and supplier of graphene-based materials and related products	100%	100%
Directa Textile Solutions S.r.l.	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	99.95%	51%

### 13. Investments in subsidiaries continued

In May 2024, Directa Plus S.p.A. acquired an additional 48.96% stake in Setcar S.A. from GVC Investment Company Ltd., increasing its shareholding from 50.99% to 99.95%. The total consideration for the acquisition amounted to €1.5 million.

The objective of the acquisition is to strengthen Directa Plus' control over the subsidiary and to maximize the value creation potential enabled by its Grafysorber® technology.

As Setcar was already fully consolidated in the Group's financial statements prior to the transaction, due to Directa Plus's existing majority control, the acquisition of the additional interest has not been capitalised. The consideration paid has been accounted for as an equity transaction, with the difference between the purchase price and the carrying amount of the non-controlling interest recognised directly in equity.

Subsidiaries	Place of business	Registered office and place of business
Directa Plus S.p.A.	Italy	Via Cavour 2, Lomazzo (CO) Italy
Directa Textile Solutions S.r.l.	Italy	Via Cavour 2, Lomazzo (CO) Italy
Setcar S.A.	Romania	Str. Gradinii Publice 6, Braila Romania

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

	Directa S.p.A.
<b>At 31 December 2022</b>	30,260,336
Additions	1,964,800
Impairment loss	(13,602,359)
<b>At 31 December 2023</b>	18,622,777
Additions	3,585,000
Impairment Loss	(16,875,963)
<b>At 31 December 2024</b>	<b>5,331,814</b>

The Company finances the activities of Directa Plus S.p.A. through regular capital contributions. The increase compared to the previous year is mainly due to cash requirements related to the acquisition of the minority interests in Setcar.

During the year an impairment loss on the investment held by Directa Plus plc in Directa Plus S.p.A. for a total amount of €16.9 million was recognised following the identification of an impairment trigger. The impairment was deemed necessary due to the decline in the Group's market capitalisation over the past 12 months.

### 14. Trade and other receivables

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Current</b>				
Account receivables	1,227,797	3,645,064	–	–
Tax receivables	439,671	482,800	29,953	24,489
Other receivables	268,726	268,884	68,688	71,776
<b>Total</b>	<b>1,936,194</b>	<b>4,396,748</b>	<b>98,641</b>	<b>96,265</b>

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Non-current</b>				
Other receivables	3,998	162,923	–	–
<b>Total</b>	<b>3,998</b>	<b>162,923</b>	<b>–</b>	<b>–</b>

Group account receivables of €1,227,797 are mainly composed by four major clients, covering 60% of the total amount.

Group Tax Receivables are composed of Italian VAT receivables of €244,035, UK VAT receivables of €29,953, Romanian VAT receivables of €62,334, RDEC Tax Credit receivables of €70,237 and other Italian Tax receivables of €11,670.

Other receivables are mainly composed of governments grants for €142,494 and prepayments for €49,399.



# Notes to the consolidated financial statements

continued

## 14. Trade and other receivables continued

As at 31 December 2024 the ageing of account receivables was:

Days overdue	2024 €	2023 €
0-60	1,152,987	3,477,705
61-180	66,192	146,505
181-365	8,618	20,854
365 +	–	–
<b>Total</b>	<b>1,227,797</b>	<b>3,645,064</b>

Provision for expected credit losses ("ECL")	2024 €	2023 €
Opening balance	460,894	15,181
Net increase in provision	63,906	445,713
<b>Closing balance</b>	<b>524,800</b>	<b>460,894</b>

The Group recognises a loss allowance for expected credit losses on trade receivables. As at 31 December 2024 the cumulative provision for expected credit losses amounted to €524,800 (2023: €460,894). The increase primarily reflects additional provisioning against overdue receivables of Setcar, where the counterparties are experiencing financial distress.

Subsequent to the year-end and prior to the approval of these financial statements, Setcar successfully collected €66k from a customer whose balance had been fully provisioned at year-end due to initial doubts over recoverability. Nevertheless, management has decided to maintain the provision in full, adopting a prudent approach to reflect continued uncertainty and potential credit risk during the course of 2025.

## 15. Deferred tax assets and liabilities

	2024 €	2023 €
Deferred tax liabilities	7,589	59,647
Deferred tax (assets)	(7,589)	(59,647)
<b>Total</b>	<b>–</b>	<b>–</b>

Tax losses are carried forward and not recognised as a deferred tax asset due to the uncertainty regarding generating future taxable profits.

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

	2024 €	2023 €
Deferred tax liabilities – cost capitalised	7,589	27,929
Deferred tax liabilities – other	8,254	(363)
Deferred tax liabilities arising from acquisition	–	31,718
Deferred tax assets – incl. consolidation adjustment	(15,843)	(59,284)
<b>Total</b>	<b>–</b>	<b>–</b>

## 16. Cash and cash equivalents

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Cash at bank	4,978,110	2,389,687	4,128,402	1,024,286
Cash in hand	3,028	3,616	–	–
<b>Total</b>	<b>4,981,138</b>	<b>2,393,303</b>	<b>4,128,402</b>	<b>1,024,286</b>



## 17. Equity

Share capital	Number of ordinary shares	Share capital (€)
At 31 December 2022	66,057,649	205,469
At 31 December 2023	66,057,649	205,469
Share issue on 28 June*	14,954,048	44,144
Share issue on 1 July*	23,407,058	69,004
At 31 December 2024	104,418,755	318,617

\* On 28 June and 1 July 2024, 38,361,106 ordinary shares with a nominal value of £0.0025 each were issued as part of the Company's capital raise.

Share premium	Share premium €
At 31 December 2022	39,181,789
Shares issued	–
At 31 December 2023	39,181,789
Shares issued	8,033,534
Expenditure relating to the raising of shares	(646,302)
At 31 December 2024	46,569,021

\*On 28 June and 1 July 2024, 38,361,106 ordinary shares were issued as part of Company's capital raise at a price of £0.18 each. The Company recognised for €8,033,534 of share premium before expenditure related to the issue of the shares.

### 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 €80,356.

### 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 2024, non-controlling interest is composed by 0.05% of Setcar S.A. and 26.46% of Directa Textile Solutions Srl.

# Notes to the consolidated financial statements

continued

## 18. Loans and borrowings

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Non-current loans and borrowings	853,165	1,528,108	–	–
Current loans and borrowings	852,253	742,904	–	–
<b>Total</b>	<b>1,705,418</b>	<b>2,271,012</b>	<b>–</b>	<b>–</b>

	2024 €	Current €	Non-current €	Repayment	Interest rate
Bank of Transilvania	361,849	241,233	120,616	36-months	Variable 6.22% ROBOR 3M + 2.5%/year
Bank of Transilvania IMM INV	207,826	113,322	94,504	60-months	Variable 6.22% ROBOR 3M +2.5% MARJA BANK
LINIE CREDIT IMM – Invest Plus BRD – revolving	172,896	172,896	–	–	–
Bank of Transilvania IMM INVEST PROIECT POIM inv	22,415	12,226	10,189	36-Months	Variable 6.5 % ROBOR 6M+3.65%/Year
Intesa San Paolo	132,760	75,572	57,188	72-months	1.5%/year + EURIBOR 3M
Intesa San Paolo	9,481	6,306	3,175	72-months	1.5%/year + EURIBOR 3M
Intesa San Paolo	314,737	124,995	189,742	72-months	1.5%/year + EURIBOR 3M
Banca Popolare di Sondrio	296,211	103,709	192,502	72-months	1.5%/year + EURIBOR 3M
Ricerca e Innova (Finlombarda)	185,250	–	185,250	84-months	–

Certain debt facilities contracted by Setcar under the IMM Invest programme are secured by specific assets acquired through these loans, including transport and technical equipment, which serve as collateral. In addition, the loans held by Directa Plus and Directa Textile Solutions are covered by public guarantees ranging from 80% to 90%, issued by the Italian government under state-backed credit support schemes.

### Reconciliation of liabilities arising from financing activities

	Cash flows			Non-cash flows		31 December 2024 €
	1 January 2024 €	Capital repayments €	Liabilities acquired €	Accrued interests €	Loan conversion into equity €	
Borrowings	2,271,012	(1,738,490)	1,172,896	–	–	1,705,418
<b>Total</b>	<b>2,271,012</b>	<b>(1,738,490)</b>	<b>1,172,896</b>	<b>–</b>	<b>–</b>	<b>1,705,418</b>

The Liabilities acquired and the Capital repayments include the €1 million loan from Nant Capital to support the acquisition of Setcar, fully repaid in the year, as explained in Note 26.

## 18. Loans and borrowings continued

### Net debt reconciliation

	2024 €	2023 €
Loans and borrowings	1,705,418	2,271,012
Lease liabilities	624,136	389,565
Less: cash and cash equivalent	(4,981,138)	(2,393,303)
<b>Net debt</b>	<b>(2,651,584)</b>	<b>267,274</b>
Total equity	7,150,609	6,582,124
<b>Debt to capital ratio (%)</b>	<b>(37.08%)</b>	<b>4.06%</b>

## 19. Leases liabilities

The following table details the movement in the Group's lease obligations for the period ended 31 December 2024:

	2024 €	2023 €
Non-current lease liabilities	448,195	183,056
Current lease liabilities	175,941	206,509
<b>Total</b>	<b>624,136</b>	<b>389,565</b>

### Reconciliation of liabilities arising from leasing activities

	1 January 2024 €	Cash flows		Non-cash flows		31 December 2024 €
		Capital repayments €	Leasing acquired €	Accrued interests €		
Leasing	(389,565)	(215,714)	450,285	–		624,136
<b>Total</b>	<b>(389,565)</b>	<b>(215,714)</b>	<b>450,285</b>	<b>–</b>		<b>624,136</b>

## 20. Employee benefits provision

	2024 €	2023 €
Employee benefits	207,633	357,520
<b>Total</b>	<b>207,633</b>	<b>357,520</b>

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.

# Notes to the consolidated financial statements

continued

## 20. Employee benefits provision continued

The breakdown for 2023 and 2024 is as follows:

	€
<b>Amount at 31 December 2022</b>	<b>554,444</b>
Service cost	14,170
Interest cost	16,125
Actuarial losses	10,769
Benefit paid	(237,988)
<b>Amount at 31 December 2023</b>	<b>357,520</b>
Service cost	42,892
Interest cost	12,863
Actuarial losses	(18,154)
Benefit paid	(187,488)
<b>Amount at 31 December 2024</b>	<b>207,633</b>

### Variables analysis

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

	2024	2023
Annual rate interest	3.50%	3.30%
Annual rate inflation	2.00%	2.10%
Annual increase TFR	7.41%	7.41%
Tax on revaluation	17.00%	17.00%
Social contribution	0.50%	0.50%
Increase salary male	2.20%	2.20%
Increase salary female	2.10%	2.10%
Rate of turnover male	2.00%	2.00%
Rate of turnover female	1.80%	1.80%

### Sensitivity analysis

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

#### Actuarial hypothesis – 2024

		Decrease 10%		Increase 10%	
		Rate	Variation DBO €	Rate	Variation DBO €
Increase salary	Male	1.95%	(2,598)	2.45%	2,722
	Female	1.85%		2.35%	
Turnover	Male	1.00%	(13,526)	3.00%	11,591
	Female	0.80%		2.80%	
Interest rate		3.25%	6,421	3.75%	(6,107)
Inflation rate		1.75%	(4,890)	2.25%	(4,890)

## 21. Trade and Other payables

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Non-current</b>				
Other payables	–	64,014	–	–
<b>Total</b>	–	64,014	–	–

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Current</b>				
Trade payables	1,308,762	1,693,569	48,762	1,846
Employment costs	163,805	184,838	–	–
Other payables	558,499	978,428	127,310	124,563
<b>Total</b>	2,031,066	2,856,835	176,072	126,409

## 22. Provision

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Current</b>				
Provision	20,305	40,847	–	–
<b>Total</b>	20,305	40,847	–	–

The 2023 provision of €40,847 was related to the expected future losses incurred on an onerous long-term contract in Laos. The project was completed in the year and the provision released.

The 2024 provision mainly reflects a tax risk provision recorded by Setcar in Romania.

## 23. 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 2024 the Group is exposed to variable interest rate risk for the loans issued by Setcar and by Directa Plus SpA under the Italian Government Covid-19 Recovery Plan. Despite the rise in interest rates by the Central Banks over the recent months, those loans, being 90% guaranteed by the Italian Government, bear a relatively low interest rate (1.5% + EURIBOR) and, if the interest rate had increased or decreased by 200 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.



# Notes to the consolidated financial statements

continued

## 23. Financial instruments continued

### 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, 66% of account receivables have an ageing less of 60 days and refers to orders delivered close to the year end. As at 31 December 2024 the Group recognised a cumulated bad debt provision for €524,800.

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	2024 €	2023 €
Trade receivables	14	1,227,797	3,645,064
Cash and cash equivalent	16	4,981,138	2,393,303
<b>Total</b>		<b>6,208,935</b>	<b>6,038,367</b>

The largest customer within trade receivables accounts for 29% 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.

2024	Carrying amount €	Up to 1 year €	1-5 years €
<b>Financial liabilities</b>			
Trade payables	1,308,762	1,308,762	–
Lease liabilities	624,136	175,941	448,195
Loans	1,705,418	852,253	853,165
<b>Total</b>	<b>3,638,316</b>	<b>2,336,956</b>	<b>1,301,360</b>

2023	Carrying amount €	Up to 1 year €	1-5 years €
<b>Financial liabilities</b>			
Trade payables	1,693,569	1,693,569	–
Lease liabilities	389,565	206,509	183,056
Loans	2,271,012	742,904	1,528,108
<b>Total</b>	<b>4,354,146</b>	<b>2,642,982</b>	<b>1,711,164</b>

## 23. Financial instruments continued

### 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	4,029,026

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.

Management constantly monitors exchange rate fluctuations and remains ready to implement appropriate measures to mitigate adverse trends, should they arise.

## 24. Earnings per share

	Change in number of ordinary shares	Total number of ordinary shares	Days	Weighted number of ordinary shares
<b>At 31 December 2023</b>	–	66,057,649	365	66,057,649
Existing shares	–	66,057,649	179	32,306,883
Issued on 28 June 2024	14,954,048	81,011,697	3	664,030
Issued on 1 July 2024	23,407,058	104,418,755	184	52,494,674
<b>At 31 December 2024</b>	<b>38,361,106</b>	<b>104,418,755</b>	<b>366</b>	<b>85,465,587</b>

	Basic		Diluted	
	2024 €	2023 €	2024 €	2023 €
Loss attributable to the owners of the Parent	(5,140,237)	(3,856,103)	(5,140,237)	(3,856,103)
Weighted average number of ordinary shares in issue during the year	85,465,588	66,057,649	–	–
Fully diluted average number of ordinary shares during the year	–	–	86,493,771	67,052,006
<b>Loss per share</b>	<b>(0.06)</b>	<b>(0.06)</b>	<b>(0.06)</b>	<b>(0.06)</b>

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

# Notes to the consolidated financial statements

continued

## 25. 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 2024, there are not any outstanding Ordinary Shares awards.

At the date of this report, an additional 331,046 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 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. 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 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 (1st granting Nov20)	Market value shares (2nd granting Jun21)
Share price	60p	127p
Exercise price	66p	118.20p
Expected volatility	54%	61%
Compounded Risk-Free Interest Rate	0.10%	0.16%
Expected life	6 years	6 years
Number of options issued*	1,801,000	150,000

\*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 and June 2021. This is not representing any option issued in the period.

## 25. Share schemes continued

As of December 2024, there are not any outstanding awards to vest. Details are as follows:

	2022	2023	2024
Outstanding at start of period	1,688,000	1,503,000	150,000
Granted during the period	–	–	–
Cancelled during the period	(185,000)	(358,000)	–
Expired during the period	–	(331,669)	(116,194)
Vested during the period	–	(663,331)	(33,806)
Outstanding at end of period	1,503,000	150,000	–
Exercisable period option price	66p-118p	66p-118p	66p-118p
Grant date	12 Nov 20 – 15 Jun 21	12 Nov 20 – 15 Jun 21	12 Nov 20 – 15 Jun 21
Exercisable date	12 Nov 23 – 15 Jun 24	12 Nov 23 – 15 Jun 24	12 Nov 23 – 15 Jun 24

Share options expired over the period refer 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 each anniversary.

## 26. Related parties

In March 2024, Directa Plus received a financing facility of €1 million from Nant Capital LLC, which was fully repaid in July 2024, along with interest of €19,640 and the reimbursement of \$60,000 in legal fees.

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'.

	2024 €	2023 €
Short-term employee benefits and fees	68,738	129,065
Social security costs	22,884	39,837
	91,622	168,902

The decrease in 2024 is mainly explained by the layoff of an executive manager during the year.

For Directors remuneration please see Director's Remuneration Report.

## Notes to the consolidated financial statements

continued

### 27. Contingent liabilities and commitments

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

	2024 €	2023 €
Bank guarantees	31,995	38,435

### 28. Post balance sheet events

No significant events have occurred after the reporting date that would require disclosure in these financial statements.



## Directors, secretary and advisers

### Directors

Richard Hickinbotham – Non-Executive Chairman

Giulio Cesareo – CEO and Founder

Giorgio Bonfanti – Chief Financial Officer

Wesley K. Clark – Non-Executive Director

Sarah Cope – Non-Executive Director

### Company Secretary

Giorgio Bonfanti

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