27 September 2018

EQTEC plc
("EQTEC", the "Company" or the "Group")

Half Year 2018 Results and Increased Loan Facility

EQTEC plc (AIM:EQT), the technology solution company for waste gasification to energy projects, announces its unaudited interim results for the six months ended 30 June 2018.

Ian Price, Chief Executive Officer, commented:

"EQTEC enters the second half of the year with a focused pipeline and with the agreement of an increased loan facility the Company has the potential to create significant shareholder value.

"I am looking forward to the challenge of the role of CEO at EQTEC at a time of tremendous opportunity. The issue of increased global consumption leading to more and more waste, coupled with an increasing need for sustainable energy, is creating a highly receptive environment for our waste conversion technology. I look forward to driving the strategic development of the business including adding value and synergies through a number of potential acquisitions with the support of all of our stakeholders.

"My review of the needs of the business has highlighted an immediate requirement for more engineering resource to support our current deal flow. This, coupled with cost reductions in other areas of the business, are key elements of the Company's Growth Optimisation Plan in the near term. We intend to change what EQTEC does and how we do it and we have set out clear commitments against which our progress can be measured. Our goal is to make EQTEC the preferred supplier of energy recovery from waste technology and the plan that we set out today is pivotal to delivering that goal and executing on our extensive pipeline of projects.

"We are delighted to have agreed an increased facility with our lenders and increased drawdowns over the coming six months. As such, we believe that we are well capitalised and do not foresee a need for a placing in the near future. The increased facility will underpin our shift to a near-term focus from business development to pipeline execution to ensure delivery on customer requirements for immediate pipeline opportunities.

"We look forward to updating the market further as we continue to develop and consolidate our position in the waste to energy sector."

H1 2018 Operational Highlights

Pipeline of projects

- **Brooke Energy UK**
  The Usk Project (previously known as Zebec Energy project) located in the municipality of Usk, Wales is for a facility which will have a capacity to process ca. 42,000 tonnes of wood waste per year and a power output of 6.4 MWe. The

financial close of the project is expected in Q1 of 2019 with the purchase contract executed shortly thereafter.

EQTEC, together with its partners RAFAKO and EXERGON, is also working to deliver a solution for a second project in Brooke Energy's pipeline. The Company will update the market as appropriate on developments regarding this second project.

- **PT CITRA Vietnam**
  MOU with PT. CITRA METRO JAYA ENERGI ("CITRA"), which is part of the Energy division of the Citra Metro Group, a leading group of companies headquartered in Indonesia involved in Energy, Technology and Telecommunications, to supply its EQTEC Gasifier Technology ("EGT") for a 12 MWe power plant in Hanoi, Vietnam. The customer has envisaged the signature of the Power Purchase Agreement ("PPA") and issue of permits by authorities in Q2 2019, with the purchase contract executed shortly thereafter.

  Expected turnover for EQTEC is in the range of €20 million – €22 million for the Gasification plant from an estimated €70 million total investment by the customer in this waste-to-energy facility.

- **Polygen**
  The Company also expects to see the commencement of the construction of its ongoing project in Poland, where together with its partners at the POLYGEN Consortium, EQTEC aims to produce bio – Synthetic Natural Gas (bio-SNG) in 2019. This will open a significant new market opportunity for the Company's EGT which will be used not only to produce syngas on a power and heat basis but to produce clean and renewable fuels as bio-SNG which will be supplied to a nearby industrial user.

- **Reliable Energy**
  Following the strategy review recently completed by the new CEO, it has become clear that these projects are unlikely to proceed and so will no longer form part of the project pipeline.

- **Serbia and Croatia**
  The Company has previously stated that it had been approached with proposals for a number of projects in Serbia and together with a local partner in the region had developed an advanced project pipeline in Croatia. The Company has reviewed its allocation of resources to these potential projects and has decided to develop them at a slower pace for the time being to focus on more immediate opportunities.

- **South East Asia**
  The Company had previously notified that it was developing a pipeline of projects in Thailand. The Company has recently expanded its vision to include all of South East Asia.

- **Catfoss projects**
  Looking to the future, EQTEC has two earlier stage projects, Catfoss Newcastle and Renewables (Catfoss) Hull, in the pipeline in conjunction with Energy China.

H1 2018 Financial Highlights

- Group revenue of €0.55 million (H1 2017: €0.20 million)
- Operating expenses of €1.3 million (H1 2017: €0.8 million)
- Loss for the period from continuing operations of €1.9 million (H1 2017: Loss for period €1.0 million)

Post June 30 Events

- On 24 September 2018 the Company announced that it has signed a Memorandum of Understanding with US energy company Phoenix Biomass Energy to exclusively supply its EGT for two power plants in California, USA, with contracts expected to be valued in the region of €10 million in total. Financial close is expected in late Q4 2018 and the purchase contracts executed shortly thereafter.
- Discussions as to the provision of further funding with EBIOSS Energy AD, now a 41.47% shareholder of the Company, have terminated. The Company secured a funding facility from institutional investors and has renewed support from its main larger investors to deliver on the new focused business plan. Whilst EBIOSS remains a significant shareholder, the Company as it stands is independently financed and pursuing its own strategy.
- Board changes**:** Ian Price appointed as the new CEO of the Company. As part of an agreed restructuring Mr. Neil O'Brien stepped down from the Board and Mr. Luis Sánchez stepped down as CEO. As announced previously, further board changes will occur with EBIOSS representation to be reduced to one board member.
- New CEO on appointment conducted a strategic review which concluded:

    - The Company to exert greater direct control over its strategic business unit and will restructure it to shift the near-term focus from business development to pipeline execution to ensure delivery on customer requirements for immediate pipeline opportunities;
    - EQTEC Iberia to continue to respond to Requests for Tender in order to identify core opportunities in energy recovery from waste;
    - A new strategic alliance with CT3 Ingeniería is being entered into to provide further technical and engineering support to facilitate the Growth Optimisation Plan;
    - Headcount of skilled engineering staff to be increased over the coming weeks and months; and
    - Yoel Alemán, currently Chief Technology Officer, to separately head up the new engineering function and report directly to the Board of EQTEC plc.

Post Financing Events

- Concluded an agreement with existing funders to increase the existing July 2018 facility from US$3.2 million to US$10 million with agreed drawdowns totalling US$2 million over the next six months.

Outlook

Following the appointment of Ian Price as CEO and the completion of a strategic review in August, EQTEC is very well placed to deliver on its plans. With clear stakeholder endorsement of the Group's strategy to exploit its pipeline, the Board is optimistic about the prospects both for EQTEC and the overall Waste to Energy sector. The Group remains both determined and uniquely positioned to lead the industry in identifying and realising the significant potential that exists in eliminating waste and recovering energy.

Increased Loan facility

On 5 July 2018 the Company entered into a loan agreement with Cuart Investments Fund and associates (the "Lenders"), a consortium put together by Origen Capital LLP, (the "Loan Agreement") for the provision of a secured loan facility of up to US$3.2 million (approximately £2.4 million) (the "Loan Facility"). The Loan Facility was to be drawn down in two equal instalments with the first instalment of US$1.6 million being drawn down by the Company in July 2018.

Subject to final legal documentation, the Company and the Lenders have now agreed to amend the existing Loan Agreement such that the secured loan facility is increased by up to US$10 million (approximately £7.6 million) with three further instalments as follows:

- Tranche 1: US$864,000 upon completion of legal documents in relation to the amendment;
- Tranche 2: US$864,000 at the end of Month 3 from Tranche 1 draw down;
- Tranche 3: US$272,000 at the end of Month 6 from Tranche 1 draw down.

The Company will grant warrants to the Lenders over Ordinary Shares valued at US$680,000 at an exercise price of 125% of the average of (a) the daily Volume Weighted Average Prices ("VWAPs") for each of the five trading days preceding the drawdown of the initial instalment of the Loan Facility and (b) the daily Volume Weighted Average Prices for each of the five trading days subsequent to the drawdown of the initial instalment of the Loan Facility.

The Company can elect to redeem at any time the outstanding amount of an advance at a price equal to 105% of the principal amount together with all accrued and unpaid interest, subject to giving the Lenders four business days' notice.

The Company shall pay interest on any instalments of the Loan Facility at the rate of 10% per annum. Each instalment of the Loan Facility will have a maturity date of 18 months from the date of advance (the "Advance Date"). No repayments of the Loan Facility will be made by the Company in the first three months following the Advance Date, following which repayments shall be made as follows: (i) US$67,500 shall be paid at the end of the fourth month following the Advance Date; (ii) 70% of the principal and interest shall be repaid over the following seven months; and (iii) the balance paid on the maturity date.

The Company's obligations under the Loan Agreement are subject to the existing security granted by the Company and its subsidiaries in favour of Altair and Ecofinance.

The Company will receive net approximately US$0.8 million after expenses from the first Tranche.

- Ends -

For further information:

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About EQTEC:

EQTEC plc is a company with a proprietary advanced gasification technology used in industrial size power plants to convert waste into synthetic gas to generate electricity.

The Company is quoted on AIM and trades as EQT. Further information on the Company can be found at www.eqtecplc.com.

EQTEC plc
Unaudited Condensed Consolidated Income Statement
for the six months ended 30 June 2018

	Notes	6 months ended 30 Jun 2018	6 months ended 30 Jun 2017
Continuing operations:		€	€
Revenue	6	546,288	20,418
Cost of sales		(432,774)	-
Gross profit		113,514	20,418
Operating expenses			
Administrative expenses		(1,432,541)	(613,505)
Other operating income		121,226	-
Other operating expenses		(928)	-
Gain on disposal of property, plant and equipment		3,139	-
Impairment of property, plant and equipment		-	(180,640)
Impairment of amounts due under construction costs		-	(102,595)
(Losses)/gains on foreign exchange		(21,472)	97,480
Operating loss		(1,217,062)	(778,842)
Finance income		42	-
Finance costs		(681,149)	(282,455)
Loss before taxation	6	(1,898,169)	(1,061,297)
Income tax expense	7	-	-
Loss for the period from continuing operations		(1,898,169)	(1,061,297)
Profit for the period from discontinued operations	14	23,233	17,030
Loss for the period		(1,874,936)	(1,044,267)
(Loss)/Profit attributable to:			
Owners of the Company		(1,801,599)	(947,253)
Non-controlling interests		(73,337)	(97,014)
		(1,874,936)	(1,044,267)

		6 months ended 30 June 2018 € per share	6 months ended 30 June 2017 € per share
Basic earnings/(loss) per share:			
From continuing and discontinued operations	8	(0.001)	(0.006)
From continuing operations	8	(0.001)	(0.006)
Diluted earnings/(loss) per share:			
From continuing and discontinued operations	8	(0.001)	(0.006)
From continuing operations	8	(0.001)	(0.006)

EQTEC plc
Unaudited Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2018

	6 months ended 30 Jun 2018 €	6 months ended 30 Jun 2017 €
Loss for the period	(1,874,936)	(1,044,267)
Other comprehensive income and expense		
Exchange differences arising on retranslation of foreign operations	15,481	(280,395)
Total comprehensive income and expense for the period	(1,859,455)	(1,324,662)
Attributable to:		
Owners of the company	(1,792,013)	(1,107,922)
Non-controlling interests	(67,442)	(216,740)
	(1,859,455)	(1,324,662)

EQTEC plc
Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2018

	Notes	As at 30 Jun 2018 €	As at 31 Dec 2017 €
ASSETS			
Non-current assets			
Property, plant and equipment		4,478,594	4,468,180
Intangible fixed assets	10	15,936,876	16,051,766
Other financial investments		18,934	18,934
Deferred taxation		658,731	658,731
Total non-current assets		21,093,135	21,197,611
Current assets			
Inventories		269,269	167,124
Trade and other receivables		557,817	499,264
Cash and cash equivalents		185,152	1,804,943
		1,012,238	2,471,331
Assets included in disposal group classified as held for resale	14	1,277,390	1,309,633
Total current assets		2,289,628	3,780,694
TOTAL ASSETS		**23,382,763**	**24,978,575**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	18,861,004	18,724,196
Share premium		44,961,570	44,574,164
Retained earnings – deficit		(47,127,463)	(45,335,750)
Total deficit attributable to equity holders of the parent		16,694,811	17,962,610
Non-controlling interests		(1,403,226)	(1,335,784)
Total equity		15,291,585	16,626,826
Non-current liabilities			
Borrowings	12	3,753,807	3,891,080
Deferred taxation		33	33
Total non-current liabilities		3,753,840	3,379,621
Current liabilities			
Trade and other payables		1,837,222	2,766,985
Borrowings	12	1,540,742	646,857
		3,377,964	3,413,842
Liabilities included in disposal group classified as held for resale	14	959,374	1,046,794
Total current liabilities		4,337,338	4,460,636
TOTAL EQUITY AND LIABILITIES		**23,382,763**	**24,978.575**

EQTEC plc

Unaudited Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 June 2018 and the six months ended 30 June 2017

	Share capital	Share premium	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total
	€	€	€	€	€	€
Balance at 1 January 2017	17,453,246	21,863,190	(40,846,516)	(1,530,080)	1,489,687	(40,393)
Issue of ordinary shares in EQTEC plc	17,461	1,125,288	-	1,142,749	-	1,142,749
Change of ownership interest without loss of control	-	-	-	-	105,000	105,000
Conversion of debt into equity	92,702	5,978,242	-	6,070,944	-	6,070,944
Share issue costs	-	(287,807)	-	(287,807)	-	(287,807)
Loss for the financial period	-	-	(947,253)	(947,253)	(97,014)	(1,044,267)
Unrealised foreign exchange loss	-	-	(160,669)	(160,669)	(119,726)	(280,395)
Balance at 30 June 2017	17,563,409	28,678,913	(41,954,438)	4,287,884	1,377,947	5,665,831
Balance at 1 January 2018	18,724,196	44,574,164	(45,335,750)	17,962,610	(1,335,784)	16,626,826
Conversion of debt into equity	136,808	420,548	-	557,356	-	557,356
Share issue costs	-	(33,142)	-	(33,142)	-	(33,142)
Loss for the financial period	-	-	(1,801,599)	(1,801,599)	(73,337)	(1,874,936)
Unrealised foreign exchange gain	-	-	9,586	9,586	5,895	15,481
Balance at 30 June 2018	18,861,004	44,961,570	(47,127,463)	16,694,811	(1,403,226)	15,291,585

EQTEC plc
Unaudited Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2018

	Notes	6 months Ended 30 Jun 2018	6 months Ended 30 Jun 2017
Cash flows from operating activities		€	€
(Loss)/Profit before taxation		(1,898,169)	(1,061,297)
Adjustments for:			
Depreciation of property, plant and equipment		9,438	-
Amortisation of intangible assets		114,889	-
Gains on disposal of property, plant and equipment		(3,139)	-
Impairment of property, plant and equipment		-	180,640
Impairment of amounts due from customers under construction contracts		-	102,595
Unrealised foreign exchange gains		(39,400)	(63,358)
Operating cash flows before working capital changes		(1,816,381)	(841,420)
(Increase)/decrease in:			
Amounts due from construction contracts		-	(875)
Inventories		(102,145)	-
Trade and other receivables		(61,185)	20,721
Decrease in:			
Trade and other payables		(285,119)	(85,657)
Cash used in operating activities – continuing operations		(2,264,830)	(907,231)
Income taxes repaid		1,141	-
Finance income		(42)	-
Finance costs		681,149	282,455
Net cash used in operating activities – continuing operations		(1,582,582)	(624,776)
Net cash generated from operating activities – discontinued operations		87,135	72,484
Cash used in operating activities		**(1,495,447)**	**(510,038)**
Cash flows from investing activities			
Payments for property, plant and equipment		(57,341)	-
Receipts from disposals of property, plant and equipment		3,139	-
Repayments from related parties		1,283	-
Interest income received		42	-
Net cash used in investing activities – continuing operations		(52,877)	-
Net cash (used in)/generated from investing activities – discontinued operations		(907)	8
Cash (used in)/generated from investing activities		**(53,784)**	**8**
Cash flows from financing activities			
Proceeds from borrowings		1,623,891	68,000
Repayments of borrowings		(876,213)	-
Proceeds from issue of ordinary shares		-	1,142,690
Payments for share issue costs		(561,343)	(259,351)
Payment for loan issue costs		(71,402)	(33,750)
Interest paid		(99,695)	(90,091)
Net cash generated from financing activities – continuing operations		15,238	827,498
Net cash used in financing activities – discontinued operations		(60,418)	(62,203)
Cash (Used in)/ generated from financing activities		**(45,180)**	**765,295**
Net (decrease)/increase in cash and cash equivalents		**(1,594,411)**	**213,006**
Cash and cash equivalents at the beginning of the financial period		1,908,463	189,396
Cash and cash equivalents at the end of the financial period		314,052	402,402
Cash and cash equivalents included in disposal group		(130,948)	(116,899)
Cash and cash equivalents for continuing operations		**183,104**	**285,503**

1. CORPORATE INFORMATION

The interim condensed consolidated financial statements of EQTEC plc ("the Company") and its subsidiaries ("the Group") for the six months ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on [.] September 2018.

EQTEC plc is domiciled in the Republic of Ireland. The Company's registered office is at Building 1000, City Gate, Mahon, Cork T12 W7CV, Ireland. The Company's shares are quoted on the AIM market of the London Stock Exchange plc.

The principal activities of the Company and the Group involve sourcing and providing assistance in developing waste elimination projects to which it will ultimately sell its technology and O&M services. The Group sources projects that have a local supply of waste in need of conversion. It builds relationships and bring together the developers, the waste owners, the building contractors and funders and provides the technology and engineering services to the projects. Furthermore, the Group provides O&M services to the operating projects generating recurring revenues over the life of the projects.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements are for the six months ended 30 June 2018 and are presented in Euro, which is the functional currency of the parent company. They have been prepared on a going concern basis in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the six months ended 31 December 2017, with the exception of the application of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in note 4.

The financial information contained in this interim statement, which is unaudited, does not constitute statutory accounts as defined by the Companies Act, 2014. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the six months ended 31 December 2017. The financial statements of the Group were prepared in accordance with IFRSs as adopted by the European Union and can be found on the Group's website at www.eqtecplc.com.

The financial information for the six months ended 30 June 2018 and the comparative financial information for the six months ended 30 June 2017 have not been audited or reviewed by the Company's auditors pursuant to guidance issued by the Auditing Practices Board. The comparative figures for the financial period ended 31 December 2017 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's auditor. The audit report on those statutory accounts was unqualified with an emphasis of matter paragraph on going concern.

The Group incurred a loss on continuing operations of €1,898,169 (6 months ended 30 June 2017: €1,061,297) during the period ended 30 June 2018, and it had net current liabilities of €2,047,710 (31 December 2017: €679,942) at 30 June 2018.

On 5 July 2018 the Company entered into a loan agreement with Cuart Investments Fund and associates (the "Lenders"), a consortium put together by Origen Capital LLP, (the "Loan Agreement") for the provision of a secured loan facility of up to US$3.2 million (approximately £2.4 million) (the "Loan Facility"). The Loan Facility was to be drawn down in two equal instalments with the first instalment of US$1.6 million being drawn down by the Company in July 2018. Subject to final legal documentation, the Company and the Lenders have now agreed to amend the existing Loan Agreement such that the secured loan facility is increased by up to US$10 million (approximately £7.6 million) with three further instalments totalling US$2 million over the coming six months.

The Directors have considered carefully the financial position of the Group and, in that context, have prepared and reviewed financial forecasts to estimate the likely cash requirements of the Group over the next 12 months. The Group continues to invest capital in developing and expanding its pipeline of waste to energy projects. The nature of the Group's business model means that the sales and project pipeline depend upon counterparties commissioning and financing major projects, the timing of which is subject to many uncertainties and is not under the Company's control. This implies that the timing of funds generated from projects can be difficult to predict. The forecasts which Management have prepared include certain assumptions with regard to future funding from third parties the costs of business development, overheads and the timing and amount of any funds generated from developments. The forecasts indicate that during this period the Group will have funds to continue with its activities and its planned development program.

3. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the Group and all subsidiaries. The financial period ends of all entities in the Group are coterminous.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in preparing the interim condensed consolidated financial information are consistent with those disclosed in the Annual Report and Accounts of EQTEC plc for the six months ended 31 December 2017, except for the adoption of new standards and interpretations and revisions of existing standards as of 1 January 2018 noted below.

New/revised standards and interpretations adopted in 2018

The following amendments to existing standards and interpretations were effective in the period to 30 June 2018, but were either not applicable or did not have any material effect on the Group:

- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*;
- Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;*
- Amendments to IAS 40 *Transfer of Investment Properties;*
- Annual Improvements to IFRS Standards 2014-2016 Cycle – minor amendments to IFRS 1 and IAS 28;
- IFRIS Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The directors do not expect the adoption of the above Standards and interpretations to have a material effect on the interim condensed financial statements in the period of initial application.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 provides a single, principle-based, five-step model to be applied to all sales contracts, based on the transfer of control of goods and services to customers. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sale of goods
The Group has concluded that it is the principal in its revenue arrangements as it is the primary obligor in these revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

As such, revenue from the sale of goods is recognised when control is transferred to the customer. i.e. when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; in general this is deemed to occur when customers take delivery of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty which are generally recognised at the point of sale.

Revenue is reduced for estimated customer returns, rebates and other similar allowances to customers, the measurement of which is determined by contractual arrangements with customers. Sales incentives are recognised in the same period as the related revenue is recorded, and comprise:

- Discounts and rebates - which are sales incentives to customers to encourage them to purchase increased volumes and are related to total volumes purchased and sales growth;
- Marketing services - which include merchandising, slotting and listing fees; and
- Sales support for promotional activities - which include payments to customers, distributors and external agencies.

The Group has adopted IFRS 15 using the cumulative effect method. Accordingly, the information presented for 2017 has not been restated, i.e. it is presented, as previously reported, under IAS 18 Revenue.

The introduction of IFRS 15 did not result in changes to the Group's significant accounting policies, except to update them for new terminology introduced by the new standard for contract costs (previously known as deferred acquisition costs for non-insurance contracts), contract assets (previously known as accrued income from contracts with customers), and contract liabilities (previously known as deferred fee income from contracts with customers).

IFRS 9 *Financial Instruments*

This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities.

The adoption of IFRS 9 has not impacted the Group's accounting policies related to financial liabilities, however financial assets classified as loans and receivables under IAS 39 are now measured at amortised cost. These include cash and cash equivalents, trade and other receivables and customs deposits.

Financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets relates solely to the new impairment requirements, as described further below. The requirements of IFRS 9 have been adopted without restating comparative information, but are recognised in the opening balance sheet at 1 January 2018.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model.

ECLs are based on the difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

There has not been a material impact to the Group's interim condensed consolidated financial statements as a consequence of adopting IFRS 9.

The provision for bad debts is not considered to be a critical accounting judgement or key source of estimation uncertainty. While the actual level of debt collected may differ from the estimated levels of recovery this is not expected to be by a material amount. In addition to applying the ECL model, each subsidiary evaluates the collectability of trade receivables at each balance sheet date and makes any specific provisions where there is objective evidence of impairment.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented separately in the statement of profit and loss and other comprehensive income.

5. ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised.

The judgements, estimations and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the period ended 31 December 2017.

6. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the products sold to customers. The Group's reportable segments under IFRS8 *Operating Segments* are as follows:

Power Generation: Being the development and operation of renewable energy electricity and heat generation plants; and

Technology: Being the sale of Gasification Technology and associated Engineering and Design Services. This reportable segment came into effect on 28 December 2017 from the acquisition of Eqtec Iberia SL.

The Chief Operating Decision maker is defined as the Board of Directors.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue 6 months ended		**Segment (Loss)/Profit 6 months ended**	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
	€	€	€	€
Technology	525,591	-	(691,715)	-
Power Generation	20,697	20,418	(143,871)	(77,147)
Total from continuing operations	546,288	20,418	(835,586)	(77,147)
Central administration costs and directors' salaries			(483,441)	(515,940)
Other operating income			121,226	-
Other operating expenses			(928)	-
Gain on disposal of property, plant and equipment			3,139	-
Impairment of property, plant and equipment			-	(180,640)
Impairment of amounts due under construction costs			-	(102,595)
(Losses)/gains on foreign exchange			(21,472)	97,480
Interest income			42	-
Interest costs			(681,149)	(282,455)
Loss before taxation (continuing operations)			(1,898,169)	(1,061,297)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the six months ended 30 June 2018 amounted to €Nil (2017: €Nil). Included in revenues arising from sales in the Power Generation segment is €20,697 (2017: €20,418) arising from sales to an associated undertaking, GG Eco Energy Limited.

Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and directors' salaries, other operating income, share of losses of jointly controlled entities, investment revenue and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other segment information:

	Depreciation and amortisation 6 months ended		**Additions to non-current assets 6 months ended**	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
	€	€	€	€
Head Office	103	-	1,233	-
Technology	124,225	-	-	-
Power Generation	-	-	-	-

In addition to the depreciation and amortisation reported above, impairment losses of €Nil (2017: €180,640) were recognised in respect of property, plant and equipment. These impairment losses were attributable in full to the Power Generation segment.

The Group operates in three principal geographical areas: Republic of Ireland (country of domicile), Spain and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location are detailed below:

	Revenue from Jointly Controlled Entities and External Customers		**Non-current assets***	
	6 months to 30 June 2018	**6 months to 30 June 2017**	**As at 30 June 2018**	**As at 31 Dec 2017**
	€	€	€	€
Republic of Ireland	-	-	1,130	-
Spain	525,591	-	780,988	905,213
United Kingdom	20,697	20,418	4,385,918	4,367,299
	546,288	20,418	5,168,036	5,272,512

** Non-current assets excluding goodwill, deferred tax, financial instruments and investment in jointly controlled entities.*

The management information provided to the chief operating decision maker does not include an analysis by reportable segment of assets and liabilities and accordingly no analysis by reportable segment of total assets or total liabilities is disclosed.

7. INCOME TAX EXPENSE

	6 months ended 30 June 2018	**6 months ended 30 June 2017**
Income tax expense comprises:	**€**	**€**
Current tax	-	-
Deferred tax	-	-

Income tax expense recognised in profit or loss	-	-

An income tax charge does not arise for the six months ended 30 June 2018 or 30 June 2017 as the effective tax rate applicable to expected total annual earnings is Nil as the Group has sufficient tax losses coming forward to offset against any taxable profits. A deferred tax asset has not been recognised for the losses coming forward.

8. LOSS/(EARNINGS) PER SHARE

	6 months ended 30 June 2018 €	6 months ended 30 June 2017 €
Basic and diluted (loss)/earnings per share		
From continuing operations	(0.001)	(0.006)
From discontinued operations	-	-
Total basic earnings/(loss) per share	(0.001)	(0.006)

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted (loss)/earnings per share are as follows:

	6 months ended 30 June 2018 €	6 months ended 30 June 2017 €
(Loss)/profit for period attributable to equity holders of the parent	(1,801,599)	(947,253)
Profit for period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	23,233	17,030
Losses used in the calculation of basic loss per share from continuing operations	(1,824,832)	(964,283)
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	75,140,494	64,228,665

Anti-dilutive Potential Ordinary Shares

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted loss per share:

	6 months ended 30 June 2018	6 months ended 30 June 2017
Share warrants in issue	223,316,839	39,088,960
Share options in issue	67,304,542	-
Convertible loans in issue	170,940,171	10,000,000
Total anti-dilutive shares	461,561,552	49,088,960

As set out in note 14 below, 307,194,667 ordinary shares were issued after the period end. If these shares were in issue prior to 30 June 2018, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic loss per share and diluted loss per share by 51,199,111 (assuming the shares were issued in June 2018).

9. INVESTMENT IN ASSOCIATE UNDERTAKINGS

Details of the Group's interests in associated undertakings at 30 June 2018 are as follows:

Name of jointly controlled entity	*Country of incorporation*	*Shareholding*	*Principal activity*
GG Eco Energy Limited	England	30%	Operator of biomass heat generating projects

Summarised financial information in respect of the group's interests in associate undertakings is as follows:

	30 June 2018	**31 Dec 2017**
	€	**€**
Non-current assets	1,197,421	1,235,265
Current Assets	225,037	181,559
Non-current liabilities	(1,425,458)	(1,459,030)
Current liabilities	(963,901)	(757,094)
Net liabilities	(966,901)	(799,300)
Group's share of net assets of associated undertakings	-	-

	6 months ended	
	30 June 2018	**30 June 2017**
	€	**€**
Total revenue	269,897	350,857
Total expenses	(435,420)	(492,475)
Total loss for the period	(165,523)	(141,618)
Group's share of losses of jointly controlled entities	-	-

The investment in GG Eco Energy Limited is accounted for using the equity method in accordance with IAS 28.

10. GOODWILL

Included in intangible assets are the following amounts relating to goodwill:

	30 June 2018	**31 Dec 2017**
Cost	€	€
At start of period	15,247,434	-
Additional amounts recognised from business combinations occurring during the period	-	15,247,424
At end of period	15,247,434	15,247,434
Accumulated impairment losses		
At start and at end of period	-	-
Net book value	15,247,434	15,247,434

11. SHARE CAPITAL

During the six-month period to 30 June 2018 136,808,333 shares were issued to satisfy conversion options granted under various borrowing arrangements.

Amounts in thousands of shares	**30 June 2018**
Ordinary Shares of €0.001 each issued and fully paid -Beginning of the period -Issued on conversion of debt	 1,346,091 136,808
Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the period	1,482,899

12. BORROWINGS

During the six months ended 30 June 2018, the following occurred in relation to debt securities:

- a repayment of £378,882 was made on the companies Secured Loan Facility ("SLF")
- the Company executed a drawdown of £1,350,000 an Unsecured Convertible Loan Note ("UCLN") facility. Each Loan Note had a subscription price of £23,500 and a redemption at par value, being £25,000, five years from the date of issue unless converted or redeemed at an earlier date. Repayments totaling £407,500 were made on the UCLN facility during the period through conversions and early redemption
- the existing Convertible Secured Loan Note ("CLSN") was amended such that (i) the maturity date of the CSLN is extended to 14 July 2020 (ii) the interest rate applicable to the CSLN was varied to 15% p.a. (subject to a reduction in the interest rate for early repayment of the CSLN) and (iii) the price at which the CSLN converts was amended to 0.585 pence per share.

13. COMMITMENTS AND CONTINGENCIES

There have been no other changes in commitments and contingent liabilities since the end of the previous reporting period, 31 December 2017.

14. DISPOSAL GROUP CLASSIFIED AS HELD FOR RESALE AND DISCONTINUED OPERATIONS

The Group is in negotiations with certain parties with respect to the sale of its subsidiary, Pluckanes Windfarm Limited, which is involved in the generation of electricity through wind. The disposal is consistent with the Group's long-term policy to focus its activities as a technology solution company for waste gasification to energy projects. The disposal is expected to be complete in Q4 2018.

Consequently, assets and liabilities allocable to Pluckanes Windfarm Limited were classified as a disposal group. Revenues and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing activities and are shown as a single line item on the face of the statement of profit or loss. The combined results of the discontinued operations included in the loss for the financial period are set out below.

	6 months ended	
	30 June 2018	**30 June 2017**
Profit for the period from discontinued operations	**€**	**€**
Revenue	96,539	93,742

Administrative expenses	(55,934)	(57,877)
Operating profit	40,605	35,865
Finance costs	(17,375)	(18,838)
Finance income	3	3
Profit for the period before tax	23,233	17,030
Income tax	-	-
Profit for the period from discontinued operations (attributable to the owners of the Company)	23,233	17,030

Cash flows generated by Pluckanes Windfarm Limited for the periods under review are as follows:

	6 months ended	
	30 June 2018	**30 June 2017**
Cash flows from discontinued operations	**€**	**€**
Operating activities	87,135	72,484
Investing activities	(907)	8
Financing activities	(60,418)	(62,203)
Net cash flows used in continuing operations	25,810	10,289

The carrying amount of assets and liabilities in this disposal group are summarised as follows:

	30 June 2018	**31 Dec 2017**
Assets classified as held for resale:	**€**	**€**
Non-current assets		
Property, plant and equipment	1,127,519	1,166,679
Current assets:		
Trade and other receivables	18,923	37,816
Cash and cash equivalents	130,948	105,138
Assets classified as held for resale	1,277,390	1,309,633

	30 June 2018	**31 Dec 2017**
Liabilities classified as held for resale:	**€**	**€**
Current liabilities:		
Trade and other payables	15,124	59,544
Borrowings	944,250	987,250
Liabilities classified as held for resale	959,374	1,046,794

15. BUSINESS COMBINATIONS

Information on prior period acquisition

On 28 December 2017, the Group acquired 100% of the voting shares of Eqtec Iberia SL, an unlisted company based in Spain, specialising in the provision of technical engineering services. Details of the acquisition are set out in Note 28 of the consolidated financial statements of the Group for the 6 month period ended 31 December 2017.

16. RELATED PARTY TRANSACTIONS

During the period ended 30 June 2018, the Group realised €20,687 (2017: €20,418) from its associated undertaking, GG Eco Energy Limited, on consultancy fees associated with the generation of heat. Included in trade and other receivables at 30 June 2018 is €Nil due from GG Eco Energy Limited (31 December 2017: €Nil).

17. FAIR VALUES

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at period-end.

30 June 2018	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Trade and other receivables	-	557,817	-	557,817
Cash and cash equivalents	185,152	-	-	185,152
Financial liabilities				
Trade and other payables	-	(1,837,222)	-	(1,837,222)
Investor loans	-	(4,652,465)	-	(4,652,465)
Bank overdrafts	(2,048)	-	-	(2,048)
Bank loans	-	(640,036)	-	(640,036)
	183,104	(6,571,906)	-	(6,388,802)

31 December 2017	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Trade and other receivables	-	499,264	-	499,264
Cash and cash equivalents	1,804,943	-	-	1,804,943
Financial liabilities				
Trade and other payables	-	(2,766,985)	-	(2,766,985)
Investor loans	-	(3,657,399)	-	(3,657,399)
Bank overdrafts	(1,618)	-	-	(1,618)
Bank loans	-	(878,920)	-	(878,920)
	1,803,325	(6,804,040)	-	(5,000,715)

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- borrowings.

18. EVENTS AFTER THE REPORTING DATE

- On 5 July 2018, the Company entered into a loan agreement for the provision of a secured loan facility of up to US$3.2 million (approximately £2.4 million) (the "Loan Facility"). The Loan Facility can be drawn down in two equal instalments with the first instalment of US$1.6 million having been advanced to the Company. Certain conditions subsequent in relation to the Loan Facility have been satisfied by the Company.

  The Company has also granted warrants to the lenders of the Loan Facility over 81,296,134 Ordinary Shares at an exercise price of 1.19 pence per share which can be exercised at any time up to July 2023.

  Interest on the Loan Facility is at the rate of 10 % per annum. Each instalment of the Loan Facility will have a maturity date of 12 months from the date of advance (the "Advance Date"). No repayments of the Loan Facility will be made by the Company in the first three months following the Advance Date, following which repayments shall be made as follows: (i) US$67,500 shall be paid at the end of the fourth month following the Advance Date; (ii) 70% of the principal and interest shall be repaid over the following seven months; and (iii) the balance paid on the maturity date.

  The Company's obligations under the Loan Agreement are subject to the existing security granted by the Company and its subsidiaries in favor of the holders of the SLF and the CSLN.

- The Company used the proceeds of the first instalment of the Loan Facility to redeem the amount outstanding under the convertible loan facility of £1.15 million entered into by the Company on 28 February 2018.

- On 5 July 2018, the Company also entered into arrangements with the holders of the SLF and the CSLN to capitalise accrued and future interest payments totaling £693,168 due to them under their existing debt facilities through the issue of 115,528,000 Ordinary Shares

- On 6 August 2018 the Company issued 307,194,667 Ordinary Shares, which include the 115,528,000 to the holders of the SLF and CSLN, arising from the conversion of loan notes entered into on 5 July 2018. Warrants to subscribe for 57,764,000 Ordinary Shares were granted to the holders of the SLF and CSLN and warrants to subscribe for 95,833,333 Ordinary Shares were granted to the other convertible loan note holders. All warrants relating to these conversions are at an exercise price of 0.75p per share and are exercisable for two years.

- The Company concluded an agreement with existing funders to increase the existing 5 July 2018 facility from US$3.2m to US$10m with agreed drawdowns totalling US$2m over the six months from the revised agreement.

19. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2018, which comply with IAS 34, were approved by the Board of Directors on 27th September 2018.