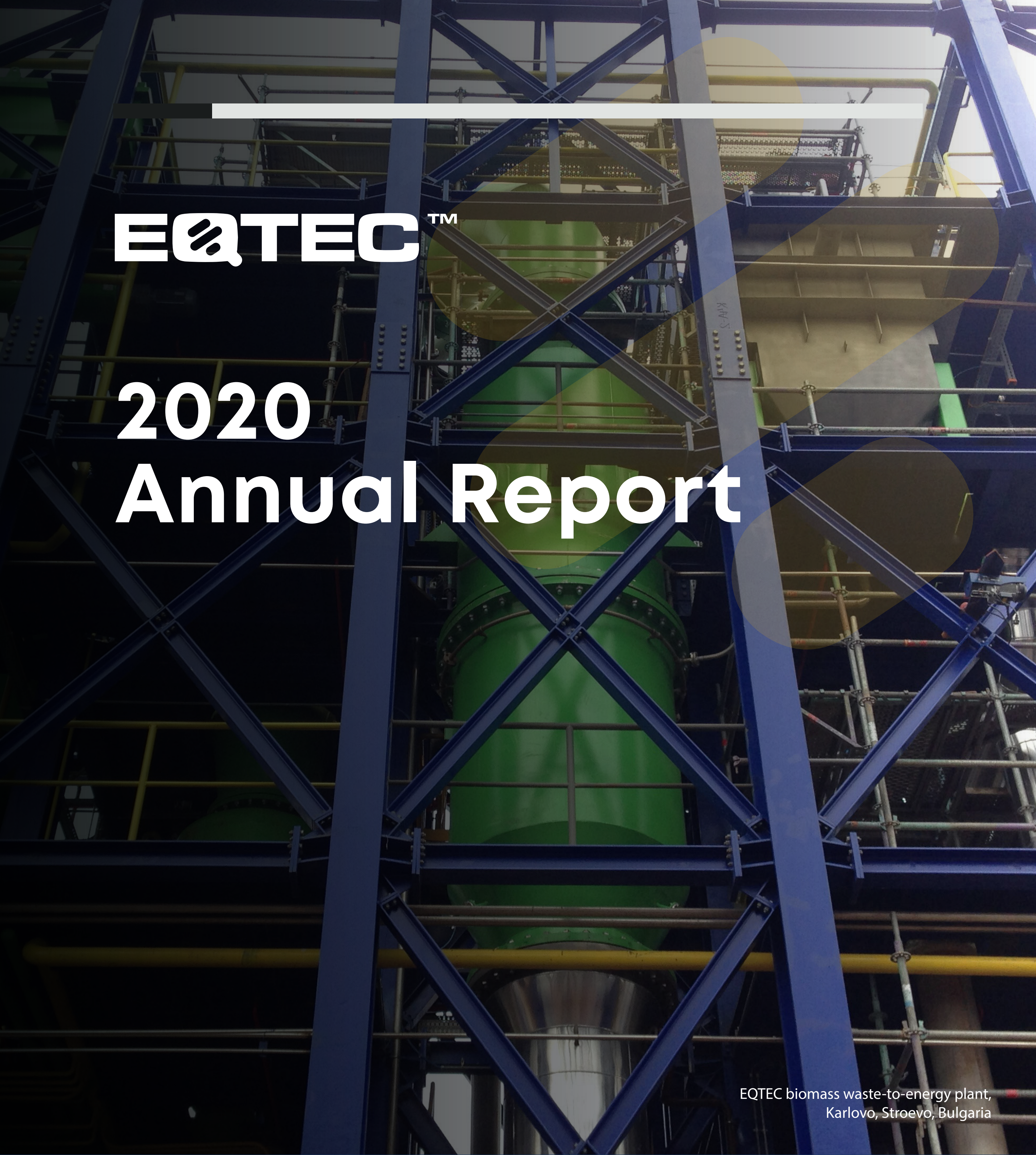

2020 Annual Report

EQTEC biomass waste-to-energy plant,
Karlovo, Stroevo, Bulgaria

Building the future of the waste-to-energy sector

EQTEC plc

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DIRECTORS AND ADVISERS

IAN PEARSON
Non-Executive Chairman

DAVID PALUMBO
Chief Executive Officer

GERRY MADDEN
Finance Director & Company Secretary

JEFFREY VANDER LINDEN
Chief Operating Officer

DR. YOEL ALEMÁN
Chief Technical Officer

THOMAS QUIGLEY
Non-Executive Director

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NOMINATED ADVISER:	Strand Hanson Limited, 26 Mount Row, Mayfair, London W1K 3SQ, United Kingdom
BROKERS:	Arden Partners plc, 125 Old Broad St, London EC2N 1AR, United Kingdom Canaccord Genuity Limited, 88 Wood Street, London EC2V 7QR, United Kingdom
LEGAL ADVISERS:	Philip Lee, 7-8 Wilton Terrace, Dublin D2, Ireland Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom Fieldfisher Jausas, Passeig de Gràcia, 103, Planta 7. 08008 Barcelona, Spain
AUDITOR:	Grant Thornton, 13-18 City Quay, Dublin 2, D02 ED70, Ireland
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The Company is incorporated in Ireland with registration number: 462861

2020 AT A GLANCE

EQTEC plc: Sustainably reducing the world's waste and playing a key role in the energy transition

GROWTH:

Continuation of growth strategy in Europe, UK and with global opportunities:

- Three times pipeline growth from Q1 to Q4
- Local partner advantage: average of two to three near-term opportunities per partner; many more over long term
- Non-contracted tender opportunities worth a total potential of €559 million
- Full commercial offers sent worth a total of €334 million

PROJECTS:

- Construction underway at two, sustainable biomass-to-energy plants in Larissa, Greece and in California, USA
- Development in progress for multiple biomass-to-energy and biomass-to-bioenergy deals across Europe and the US as well as three RDF-to-energy deals in UK
- Strong ecosystem in place including strategic and project delivery partners

FINANCIAL OVERVIEW:

- Revenue €2.2 million (FY 2019: €1.7 million)
- Loss €5.8 million (FY 2019: €3.6 million)
- Cash at 31 December 2020 €6.4 million (31 December 2019: €0.5 million)
- Net assets €25.3 million (FY 2019: €15.5 million)

DELIVERY PLATFORM:

- Appointment of expert Chief Operating Officer to drive scale
- Consolidation of Corporate Centre, with addition of key roles to support business development and growth
- Enhanced Technical & Engineering Centre

STRATEGIC REPORTS

EQTEC biomass waste-to-energy plant, Movialsa, Ciudad Real, Spain

CHAIRMAN'S STATEMENT

IAN PEARSON
Non-Executive Chairman

16 April 2021

I am very pleased to introduce EQTEC plc's Annual Report and Accounts for 2020 and share my perspective on the prospects of an international company that is building the future of the sustainable waste-to-energy sector.

It is especially pleasing to start this report by stating my belief that EQTEC's capabilities have never been stronger and that its prospects at addressing various market needs have never been greater, even despite some challenges presented to the business during the year.

Against a backdrop of home-working, restrictions preventing travel to sites and delays with approvals at government agencies and financial institutions, EQTEC worked with agility and speed to respond productively. The team further invested in relationships with partners, advancing deals with intensive collaboration in particular in Greece, Croatia and the UK. The leadership focused on strengthening EQTEC's platform for growth, attracting and hiring new talent for key positions and building improved, robust standards for business management and project delivery. More than ever, EQTEC is now well prepared for the increasing growth and demand for new and more sustainable solutions to the world's waste management challenges and well positioned to play its role in accelerating the energy transition.

The markets for those challenges have themselves gained increased attention and commitment from consumers, local government, policymakers and investors in 2020 and into 2021. Not only did the pandemic give consumers time for pause and reflection about a world that was, for a time, noticeably freer from pollutants due to decreased economic activity and social movement, but it also created a realisation that alternatives were becoming increasingly available thanks to interest from the news media and the stock markets.

The European Union ramped up its European Green Deal to drive a range of actions, including:

- investing in environmentally-friendly technologies;
- supporting industry to innovate; and
- decarbonising the energy sector.

All three of these efforts support EQTEC's advancement in EU economies and as a business with operations, partners and strong pipeline in the EU.

The UK started the year by leaving the EU and ended with a raft of environmental and energy pledges, papers, policies and plans from the Government, as it looked ahead to hosting the next United Nations Climate Change conference, COP26, in Glasgow this November. As a former Science and Climate Change

> ***The team is focused on creating localised solutions that offer the next best option after reduction, reuse and recycling, with a low environmental and emissions impact and high efficiency amongst the very best of waste-to-energy approaches.***

Minister I am excited at the progress that can be made. In my view the UK has reinforced its commitment to decarbonisation and there is much potential for innovation in better waste management to support the energy transition. EQTEC's progress with building RDF-to-energy plants in the UK is strong, enhancing local communities and championing local businesses. The team is focused on creating localised solutions that can offer the next best option after reduction, reuse and recycling, with a low environmental and emissions impact and high efficiency amongst the very best of waste-to-energy approaches.

By the end of 2020, we saw confirmation from the newly elected Administration that the USA would re-join the Paris Climate Accord and put the country back on the path to Net Zero emissions by 2050, something made official in February 2021. It is my belief that this will create additional momentum, even in California where support of cleantech is arguably greatest. EQTEC is already progressing projects there, growing its partner relationships to support construction of plants to address waste forestry materials with its Advanced Gasification Technology.

EQTEC remains uniquely well-placed to address future waste market potential. As an innovator at the leading edge of advanced gasification technologies combining engineering with expert construction and project delivery capabilities, EQTEC has been building a solid business platform, partner ecosystem and team. All of these elements will allow it to successfully pursue and deliver on international opportunities in line with the Company's focused strategy.

To complement its long-standing Technical Centre in Barcelona, EQTEC has now designed and formally implemented a Corporate Centre across Cork and London. This includes bringing in a small number of top professionals to drive standards, methods and support for rapid scale of business development, project delivery and partnering. With the operational disciplines brought in through 2020, the business is clearly positioning itself to move quickly to convert a sizeable, stress-tested pipeline into solid growth in 2021 and beyond.

Looking ahead, I confidently expect EQTEC's growth to be strong and sustained across markets as the world recovers from the pandemic and countries look to build back better and greener. 2020 delivered a global shock, and for EQTEC some hurdles and delays, but it also brought the opportunity for further clarity of the Company's mission alongside an increased determination and readiness to seize opportunities in the immediate years to come.

CHIEF EXECUTIVE'S REPORT

DAVID PALUMBO
Chief Executive Officer

16 April 2021

Our vision is a world where, through technology innovation, waste of all types is transformed into a valuable resource just as Nature repurposes its own surplus materials. Our contribution to realising this vision continues to be transformation of waste into clean energy and biofuels.

Even despite the global pandemic and ensuing economic slowdown, EQTEC's business platform has proven resilient. In 2020 we pushed on with our business strategy, significantly adding to our pipeline, strengthening and increasing our partner relationships and expanding our platform for growth. In the first half of the year, we closed two ground-breaking deals, each with additional pipeline attached to them - and we concentrated on maturing our relationships with our go-to-market partners. In the second half of the year, we built further discipline into our business operations and project execution capabilities, toward mitigating risks and accelerating delivery of business cases and measurable value.

Our pipeline grew with greater pace than we expected and it shows no signs of slowing. With that growth comes greater commitment to our strengths with biomass-to-energy solutions, new focus on RDF-to-energy solutions and emerging expectations for biomass-to-bioenergy and other solutions. At the core of EQTEC's market attractiveness remains our technology leadership with production of the world's purest synthesis gas, a vital source of clean, efficient energy and biofuels. Supplementing our technology is our commercial know-how with defining attractive business models for sustainable, waste-to-energy operations and project delivery capabilities to ensure plants become operational on time and to the expectations of investors, partners and local communities.

Two biomass-to-energy projects reached financial close in 2020. Two projects were delayed into the next financial year as a result of slowdowns in planning, approvals, home working and alignment of financial institutions in key markets, primarily through the impact of Covid-19 restrictions. Our current project in California with North Fork Community Power ("NFCP") was delayed during construction due to Covid-related delays but also to the forest fires that spread right up to the border of the site. But given our technology leadership and the enduring attractiveness of our proposition, no deals were lost in 2020.

To mitigate the risk to revenue impact from delays to Financial Close, we ramped up application of our own development capital programme (EQTEC Capital), and plan to invest up to €4 million to deploy dedicated, professional teams for pre-Financial Close business development, engineering and delivery readiness. We defined Financial Close milestones and instilled team disciplines and oversight to support qualified and timely delivery of projects ready for construction and commissioning. This approach is now our preferred one for most opportunities in our pipeline, as we expect it to deliver a healthy return on investment and generate additional development finance whilst contributing to EBITDA.

We also followed through on our commitment to further strengthen our team, bringing key roles in house and decreasing reliance on external contractors. In our Technical Centre, we went to market for specific, new Engineering roles. We formalised our Corporate Centre in London and Cork, adding a Strategy & Operations Director (COO) to the executive team and Board of Directors, along with critical roles in Marketing and Communications, Analytics and Business Development. The enhanced and experienced team

> ***Supplementing our technology leadership is our commercial know-how and business models for sustainable, waste-to-energy operations and project delivery capabilities, to ensure plants become operational on time and to the expectations of investors, partners and local communities.***

evidences our dedication to high quality work at pace, in qualifying deals, developing opportunities, delivering projects and supporting high quality operations of commercial plants with EQTEC's Advanced Gasification Technology at the centre.

Our go-to-market approach with qualified strategic partners is proving its value, with 57% of new opportunities coming through these relationships. We signed eight collaboration agreements in three countries and are in the process of formalising these project and operational agreements through joint ventures or other vehicles.

OPERATIONAL, COMMERCIAL AND CORPORATE HIGHLIGHTS

Accelerated pipeline growth through strategic partners:

An additional 17 opportunities were added to our pipeline in H2 2020, bringing the total pipeline to 58 at the end of 2020 (a further 17 were added post period, between January and March 2021). Critically, over half of the opportunities added have come through only six of our maturing strategic partnerships, indicating the strength of that go-to-market approach. The 58 in pipeline at the end of 2020 represent non-contracted tender opportunities worth a potential €559 million, amongst which we sent full commercial offers in 2020 worth a total of €334 million.

Gasification into Greece scaling rapidly:

We signed an agreement for the construction of a 0.5 MWe project in Larissa with Greek project developer, Agrigas Energy SA ("Agrigas"), via German EPC partners, ewerGy GmbH ("ewerGy"). In March, a Collaboration Framework Agreement was completed with ewerGy for 13 potential new projects in the Balkan region (notably, Greece and Bulgaria), with exclusivity. In August, we signed an equipment sales and services contract worth €2 million with ewerGy for the project. Post period, seven new projects are under review in the context of the Collaboration Agreement with ewerGy.

Forestry waste in USA:

We reached financial close in January on a 2 MWe the North Fork Community Power project in California, USA, including sale of equipment and engineering and design services worth €2.2 million, concurrent with the acquisition of a 19.99% interest in NFCP. This project and a pipeline of others of similar size is being developed with US partners, Phoenix Biomass Energy LLC ("Phoenix") and a full planning permit is progressing for a second project with Phoenix in Napa, California. Technology due diligence has been completed successfully for the third project with Phoenix, in Wilseyville, California and has already received indicative terms for funding.

RDF Billingham Project in UK:

Following a Memorandum of Understanding, EQTEC signed an Option Agreement to acquire the project. Post period, the project received amended planning approval and EQTEC signed a conditional Land Purchase Agreement. The project includes a plant with capacity of up to 25 MWe. The project is under review for funding by Idex Group, an established European owner-operator of waste-to-energy infrastructure with over 40 EfW plants in France.

RDF Deeside Project in UK:

An exclusivity agreement was signed in July with Logik Developments Limited for a 20 MWe recycling and anaerobic digestion project in Wales. A planning application for deployment of EQTEC's Advanced Gasification Technology has been made and a decision is expected by Q3 2021. EQTEC signed an agreement to acquire the project SPV from Logik Developments in December. Post period, in February 2021, the Company signed a Collaboration Agreement with Logik to jointly develop other projects in the UK, with two currently under review.

Southport Hybrid Energy Park Project in UK:

We are co-developing and have an option agreement with Rotunda Group Limited for a waste management project in Southport, Merseyside for which EQTEC would seek additional planning permission for the deployment of its Advanced Gasification Technologies. The proposed plant could convert over 55,000 tonnes of RDF annually for an estimated 6 MWe to 8 MWe of 'green' electricity.

Collaboration with Carbon Sole Group, Ireland:

A framework agreement was completed with Carbon Sole Group Limited for joint participation in projects in Ireland involving biogas and district heating, biomass-to-energy and advanced biofuels, applying EQTEC's technology. With an immediate pipeline of three deals, planning application for the first deal in Shannon has been submitted and a decision is expected in Q3 2021.

Innovation, Research and Development:

In January, we achieved approval to carry out tests utilising Refuse Derived Fuel ("RDF") at the Research and Demonstration Plant located at the University of Lorraine ("U of L"), in France. The plant was built in collaboration between U of L and EQTEC and should accelerate technology validation tests of different types of RDF to satisfy adoption by key stakeholders. We signed a contract in February for upgrade of existing syngas research and development facility at the University of Extremadura ("U of E") in Spain. Installation of a Fischer-Tropsch unit supports the production of sustainable biofuels utilising high quality syngas produced from EQTEC's advanced gasification process, in use at the university since 2010. In October, a Technology Review and potential collaboration with Wood Group UK Limited commenced.

Cashing in non-core assets whilst strengthening strategic relationships:

In January, the sale of €300,000 worth of equipment and spare parts to Mostos Vinos y Alcoholes S.A. ("Movialsa") was completed. As part of the contract, the Group is able to arrange visits to Movialsa's plant in Spain to showcase the Group's technology, which has been fully operational on the site for nearly a decade, to potential future stakeholders in the Group's projects. In August, the sale of Pluckanes Windfarm Limited took place for maximum net proceeds of €383,503 (dependent on certain milestones relating to planning permission).

Appointment of broker:

We appointed Arden Partners PLC as the Company's Broker, with analyst research produced.

Appointment of Chief Operating Officer and consolidation of Corporate Centre:

In December, the Company hired Jeffrey Vander Linden as Operations Director to drive operational and delivery excellence. Having worked with the company as a contracted advisor since July, Jeff joined the Company in December as an Executive Director and Board Member. Shortly thereafter, the Company went to market and filled a number of critical roles including for Head of Marketing & Communications, Head of Analytics and two additional Business Development Managers.

Dismissal of patent infringement claim in USA:

Aries Clean Energy LLC ("Aries") of Franklin, Tennessee, USA withdrew its patent infringement complaint, stipulating the action be dismissed 'with prejudice', forbidding Aries from filing another lawsuit on the same grounds and indicating EQTEC's continued right to produce, use, and sell technology without further harassment from Aries, either directly or through EQTEC customers. Aries made its complaint in July 2020, which EQTEC immediately rejected on grounds that the Company's technology does not infringe Aries' patents, especially as the technology accused was actually prior art to every patent claim that Aries asserted. Aries capitulated in March 2021, prior to the Court's ruling on a Motion to Dismiss filed by EQTEC in December 2020. Aries' only response to the December motion admitted their case was speculative and that they had no information about the project they claimed would implement technology that infringed their patents. Having attempted through the second half of 2020 to seek review of EQTEC intellectual property by its own engineers and even its CTO, Aries finally agreed in January 2021 to have its outside counsel review EQTEC's IP under a strict nondisclosure agreement, a review completed in February. Aries' offer to dismiss followed in March and EQTEC accepted. EQTEC does not expect to give any further attention to the matter.

FINANCIAL HIGHLIGHTS

Revenue:

For the period through to 31 December 2020, the Group recognised revenue of €2.2 million (FY 2019: €1.7 million).

Loss for the financial year:

For the period, the Group incurred losses of €5.8 million (FY 2019: €3.6 million), principally the result of recognition of share-based payment costs of €1.8 million and an increase in administrative expenses over the period.

Assets:

The net assets of the Group increased to €25.3 million at 31 December 2020 (31 December 2019: €15.5 million).

Placing:

In July, the Company raised £10 million gross in an oversubscribed placing and PrimaryBid offer at 0.45 pence per share.

Cash:

The cash balances of the Group at 31 December 2020 stood at €6.4 million (31 December 2019: €0.5 million).

Debt:

Total debt repaid during the period amounted to €1.4 million. Agreed a reprofiling of existing debt plus interest of €2.6 million due to mature on 31 July 2020, with a new maturity on 30 June 2021. In January 2021 agreed new loan facility with Altair to fully repay existing debt with a new maturity on 31 December 2021 and a lower interest rate.

Warrants:

All executed from placings in 2019 and 2020, with the Company receiving €1.5 million from the exercise of warrants during the period.

OUTLOOK AND FUTURE PLANS

Looking ahead, we are focused on three objectives, all supported by our world-leading technology innovation and engineering, the strength of our partner network and our devotion to delivery excellence.

First, we will reaffirm our core capabilities with waste biomass-to-energy gasification through multiple deals in Europe and the USA. We anticipate closure of five to eight deals with EQTEC contract values totalling €20 – 40 million, which will be recognised as revenue over the life of the contract of between one to two years. We will pursue opportunities in Greece with ewerGy, in Croatia through a joint venture with local developer Sense ESCO d.o.o. ("Sense ESCO") and in California, USA with a range of local partners including developer Phoenix.

Second, we expect to recover two plants built with core EQTEC technology where operations were suspended by their owner-operators due to lack of technical integration capabilities. In Italy, we expect to lead a consortium to acquire, repower and operate a 1.0 MW plant for converting local, agricultural waste to electricity and heat for the local community. In Croatia, we expect to work through our local joint venture to acquire, repower and operate a 1.2 MW plant for gasification of forestry waste and provision of electricity and heat for the local community there. In each case we will have an option to acquire majority ownership and consolidate revenues from operations. We then expect to use these plants to showcase EQTEC technology in action to stakeholders and to undertake innovation work in a commercially active setting. The local teams we develop and mobilise to recommission and operate these will be leveraged for other work in their local markets and across the EU.

Along with recommissioning facilities containing EQTEC technology, we will pursue other decommissioned facilities with other technology. We see this as an opportunity to leverage existing infrastructure to rapidly deploy our capabilities, increase our operational footprint and further our company's mission.

Third, we will apply our expertise with the capabilities of local teams to begin construction at the Billingham, UK plant, a 25 MW plant that will produce electricity and heat. We anticipate the project will have a contract value in excess of €30 million, which will be recognised as revenue over the life of the contract and lead the way for the two more similarly sized UK RDF facilities in 2022.

Additionally, toward the end of 2021 we intend to close the first of several potential deals for biomass-to-bioenergy in Ireland, with partner Carbon Sole. Working with them and one or more methanation technology partners, we will pursue at least one deal in 2021 worth €15 million toward production of biofuels and potentially other clean energy, with similar deals to follow in successive years. Overall, for 2021, the Group is forecasting revenues from current projects, new projects and gradual growth from maintenance and consulting contracts of approximately €15 million in 2021, with positive EBITDA, which would make 2021 EQTEC's first year of profitability.

Finally, but importantly for the business, in 2021 we expect to invest in five significant innovation projects with existing R&D partners and with private sector companies with whom we have collaboration agreements. These will accumulate more data utilising our core technology for new types of feedstock, including all variations of RDF, sludge and plastics; as well as a range of joint technologies for applications in biofuel, bio-SNG and 'green' hydrogen.

Looking further out to 2022 and 2023, we have already identified significant growth in biomass-to-energy plant construction in Greece and the Aegean, Croatia, Italy, France, Spain, Portugal and gradually, Northern and Eastern Europe. We see further opportunity in California and possibly other parts of the USA. For RDF-to-energy and biomass-to-bioenergy opportunities, there are more opportunities identified in the UK and Ireland. Our strengthened business development team will build relationships and qualify partners in Asia so that we can pursue waste biomass and RDF opportunities and we will work with partners and potentially new staff to assess the opportunities becoming visible in the Middle East. We have identified and will target potential contract values for 2022-23 in excess of €200 million.

At our heart, we are a technology and engineering company and will maintain our leadership in innovation, to apply advanced gasification and grow our commercial impact further.

GOVERNANCE

EQTEC biomass waste-to-energy plant,
Movialsa, Ciudad Real, Spain

CORPORATE GOVERNANCE STATEMENT

The Board is committed to the highest standards of corporate governance and considers the Quoted Companies Alliance's Corporate Governance Code ("the QCA Code") to be the most appropriate framework for the Company to adopt. The Directors have adopted the QCA Code and the following sections explain how this is done. Where the Board adopts a different path from the QCA Principles to the extent they consider it appropriate having regard to the size and resources of the Company, an explanation is provided.

In his capacity as independent Chairman, Ian Pearson has responsibility for ensuring that the Group has appropriate corporate governance standards in place and the 10 principles in the QCA Code are applied within the Group as a whole.

STRATEGY AND BUSINESS MODEL

The Company is focused on delivering shareholder value over the medium to long term by placing its proprietary, proven and patented Advanced Gasification Technology at the heart of leading-edge, waste-to-energy plants across Europe and in North America with emerging opportunities in Asia and the Middle East.

We are a waste-to-value company, using our proven proprietary Advanced Gasification Technology to generate safe, sustainable and clean energy, including electricity, heat, biofuels, synthetic natural gas and green hydrogen, from over 50 different kinds of feedstock, focusing on municipal, agricultural and industrial waste, biomass, and plastics. We collaborate with waste operators, developers, technologists, EPC contractors and capital providers to build sustainable energy from waste infrastructure projects.

Our income currently comes from the following streams: gasification technology sales including software, engineering & design and other related services; maintenance income from operating plants; and we receive development fees from projects where we invest development capital. In the future we expect to receive potential revenue from licensing opportunities and revenue from live operations where EQTEC has an equity stake in a plant.

We are quoted on the AIM market of the London Stock Exchange, bear the Green Economy Mark awarded by the London Stock Exchange, and trade as LSE:EQT. The Board believes that EQTEC is an ideal investment for Impact Investors who want to generate a measurable environmental impact alongside potential financial returns.

The Board is focused on growing the business organically and where synergistic opportunities arise through acquisition.

The identification and management of risk in relation to the achievement of our strategic objectives and business model is dealt with in "Managing and mitigating risk" below.

ENGAGING AND COMMUNICATING WITH SHAREHOLDERS

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.eqtec.com and via David Palumbo, CEO, who is available to answer investor relations enquiries.

STAKEHOLDER RESPONSIBILITIES

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group, its contractors and suppliers and on the Group's relationships with these and other stakeholders such as customers and regulators. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.

It is the Company's intention that, over the coming year, all employees of the Group participate in a structured Group-wide annual assessment process. This is designed to ensure there is an open and confidential dialogue with each person in the Group to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Group. These feedback processes will help to ensure that the Group can respond to new issues and opportunities that arise to further the success of employees and the Group. In addition, the Board ensures that all key relationships with, for example, customers and suppliers are the responsibility of, or are closely supervised by, one of the directors.

Our technology and services have a positive impact on society and the environment. Through taking waste which cannot be recycled and turning it into energy we reduce the need for less environmentally-friendly methods such as incineration and landfill and contribute towards reducing carbon emissions and meeting renewable energy targets. We are passionate about using our technology to deliver sustainable, local outcomes for local businesses and the communities who are customers of the power plants that use our technology, and to always deliver to the highest environmental standards.

MANAGING AND MITIGATING RISK

Effective risk management is critical to the achievement of our strategic objectives. Controls are integrated into all levels of our business. As a board we continually assess our exposure to risk and seek to mitigate risks wherever possible.

The directors have established procedures for the purpose of providing a system of internal control. In addition, there are a range of Group policies that are reviewed at least annually by the Board. These group policies cover matters such as share dealing and insider trading legislation.

The Board currently takes the view that an internal audit function is not considered necessary or practical due to the size of the Group and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function.

Identified principal risks to the achievement of our strategic business objectives are outlined below, together with their potential impact and the mitigation measures in place. The Board believe these risks to be currently the most significant with the potential to impact our strategy, our financial and operational performance and ultimately, our reputation. The board reviews its risk register, identifying new risks and updating on an ongoing basis.

KEY AREAS FOR ON-GOING RISK MANAGEMENT ARE:

KEY AREAS	MITIGATION
Winning and delivering contracts Central to achieving our strategy is winning and successfully delivering our contract portfolio. Our continuing financial health relies on our ability to successfully tender, mobilise, operate, and manage such contracts. Winning new and retaining existing contracts continues to be critical for the future success of our business.	Our tender, mobilisation and contract management processes operate under strict delegated authorities and are subject to rigorous executive management oversight and approval. These contracts are supported by teams of experienced tender, mobilisation and operational delivery specialists to mitigate the risk of failure at any stage. Ongoing contract assurance occurs together with regular dialogue to ensure service delivery is consistent with customer expectations.
Reputational risk Maintaining a strong reputation is vital to our success as a business. Significant impact to our reputation could be caused by an incident involving major harm to one of our people or clients/partners, inadequate financial control processes, or failure to comply with regulatory requirements. Impacts of this type would potentially result in financial penalties, losses of key contracts, an inability to win new business and challenges in retaining key staff and recruiting new staff.	Strong corporate governance and dedicated senior management remain the key elements of effective reputation management. Senior management provides a model of best practice and guidance to ensure our values and expected behaviours are clear and understood by everyone. As our business continues to grow and develop we will remain strongly focused on protecting the strength of our reputation through effective governance and leadership, and through cultivating open and transparent relationships with all stakeholders.
Attracting and retaining skilled people Attracting and retaining the best skilled people at all levels of the business is critical. This is particularly the case in ensuring we have access to a diverse range of views and experience, and in attracting specific expertise at both managerial and operational levels where the market may be highly competitive. Failure to attract new talent, or to develop and retain our existing employees, could impact our ability to achieve our strategic growth objectives. As we continue to grow and diversify into new areas, this risk will continue to be a focus for the Board.	Our business model has created a pipeline of opportunities for staff at every level of the business. This will continue to be the case as the Group develops. Additionally, to ensure a talent pool is identified, developed and ready for succession if needed, a succession plan will be put in place over the coming year for key management. Our focus on competency at all levels of the business continues to ensure that we develop our people and enable them to successfully manage the changing profile of our business. Incentive programmes are also in place to ensure key individuals are retained.

KEY AREAS	MITIGATION
System process or control failure We produce highly sophisticated and specialised engineering and design services leading to products that incorporate or use leading-edge technology, including hardware and software. Many of our products and services involve complex energy infrastructure projects and accordingly the impact of a catastrophic product failure or similar event could be significant. Any inability to deliver on time, to budget and to the right quality could result in financial loss or reputational damage.	The basis of our governance framework is provided by our core policies, which are subject to continual review and enhancement to manage our growing and diversifying business requirements in line with sound governance practice. We have built extensive operational processes to ensure that our product design, engineering, and other services we provide meet the most rigorous quality standards. Our internal control procedures continue to be reviewed formally. We are in the process of introducing interdependent operational and finance systems to achieve operational efficiencies and transparent reporting.
Ability to grow the business and cash generation Our financial strength makes us an attractive partner to our customers and suppliers. Our ability to grow our business organically and by acquisition will be impacted if our financial performance deteriorates, limiting our ability to access diverse sources of funding on competitive terms. This may cause an increase in the cost of borrowing or cash flow issues which could, in turn, further affect our financial performance. As a people business, our staff costs remain our most significant area of expenditure. Our ability to pay our people and suppliers regularly and at specific times relies not only on funding being available but also upon effective cash conversion.	We have developed and continue to enhance financial control procedures to oversee and monitor financial performance and cash conversion. These include daily monitoring of bank balances, weekly cash flow reporting, and regular financial performance and balance sheet reviews, which include detailed working capital reviews and forecasts. We believe we have strong banking, debt finance and equity relationships, and appropriate levels of gearing for our business.
Reliance on material counterparties We depend on a number of significant counterparties such as EPC contractors, insurers, banks, clients, and suppliers to maintain our business activities. The failure of a key business partner, supplier, subcontractor, financer or other provider could materially affect the operational and financial effectiveness of our business and our ability to trade. Ensuring ongoing relationships with our material counterparties will underpin the Group's ability to meet its strategic objectives.	We have developed, through strategic partnerships, relationships with a number of EPC contractors and also a pool of suppliers and providers to ensure limited dependency on any one provider, in turn limiting the impact of any potential failure. The Board reviews and monitors material counterparty risk and ensures that concentration levels are kept to a minimum.
Political and regulatory risk Our technology can be deployed in a wide number of international markets and as such we are exposed to different political and regulatory regimes with different risk profiles.	We monitor and evaluate political and regulatory risk at board level. Decisions on the balance of our project pipeline are taken to ensure we are not over-reliant on one particular market over time.

BOARD OF DIRECTORS

The Board comprises four full time executive directors: the CEO David Palumbo, the FD Gerry Madden, the COO Jeffrey Vander Linden and the CTO Dr. Yoel Alemán; and two independent non-executive directors: Ian Pearson, who acts as the Chairman, and Thomas Quigley. Each non-executive director devotes as much time as is required to carry out the roles and responsibilities that the director has agreed to take on.

The biographies of the Directors, who we consider to be the key managers of the business, are set out below:

IAN PEARSON, NON-EXECUTIVE CHAIRMAN

Ian was the chairman of AIM-listed OVCT2 for five years. OVCT2 invested in a variety of renewal energy companies and was successfully merged into Apollo VCT plc in 2019. He is currently a Non-Executive Director of Thames Water Utilities Limited, the UK's biggest water company. He is also a senior adviser to BAI Communications plc and has previously been a member of the UK Advisory Board of the accountants PwC. Between 2001 and 2010, Ian held a number of ministerial positions in the UK government, including Minister for Trade & Foreign Affairs, Minister of State for Climate Change and the Environment, Minister for Science, and Economic Secretary to the Treasury. He graduated from Balliol College, Oxford and has a Master's degree and a Doctorate in Industrial and Business Studies from the University of Warwick.

DAVID PALUMBO, CHIEF EXECUTIVE OFFICER

David Palumbo is an experienced entrepreneur with over 20 years of experience in private equity, venture capital and asset management. Since 2006, he has founded and co-founded a number of companies in various industries such as cleantech, digital technology and real estate. David is also the Founding and Managing Partner of Origen Capital LLP, a private investment firm representing family offices and private consortia in Europe, CIS and Latin America. He holds a BSc and an MSc in Electrical Engineering.

GERRY MADDEN, FINANCE DIRECTOR AND COMPANY SECRETARY

Gerry Madden joined EQTEC plc in May 2007 as Finance Director, and was Chief Executive from 2011 to 2017. He previously founded and operated a corporate finance practice between 1998 and 2007, advising UK and Irish companies on corporate finance activities and business strategy. During this period he also acted as a Non-Executive director for companies in the technology, healthcare, retail and renewable energy sectors. He originally worked for 16 years with international accountants KPMG and was auditor and adviser to listed companies, multinationals and private companies operating in Ireland and internationally. He is a Fellow of the Institute of Chartered Accountants in Ireland, a graduate of University College Cork and a Member of the Institute of Directors.

JEFFREY VANDER LINDEN, CHIEF OPERATING OFFICER

Jeff's 25-year career in operational performance and organisational change includes five years building global scale in leading, consumer products businesses and 16 years designing and delivering business strategy, process and technology transformation as a business consultant and programme director at PwC, IBM and Capgemini. He has worked with both private- and public-sector leaders on matters of business strategy, operations strategy, organisation design and large-scale execution of major projects. His dozens of clients include NTT, NEC, AT&T, Motorola, BAE Systems and National Grid. Jeff spent 10 years based in Japan, also working in Korea, Taiwan, Hong Kong and Singapore; he has worked predominantly in the UK and Europe since 2001. He received a Bachelor of Arts in Social Studies (Economics, Politics, History, Philosophy) from Wesleyan University in Connecticut, USA.

DR. YOEL ALEMÁN , CHIEF TECHNOLOGY OFFICER

Yoel Alemán Méndez is an experienced chemical engineer with over 20 years' experience in biomass gasification. He has designed, built and operated gasification facilities of various industrial capacities. He is the author of three technology patents related to specialty power generation, has been a University Associated Professor and researcher at three universities, and holds a PhD in chemical engineering. Prior to his appointment to the senior management of the company in June 2019, Yoel was Chief Technical Officer of EQTEC Iberia SLU from April 2010.

THOMAS QUIGLEY, NON-EXECUTIVE DIRECTOR

Tom Quigley has had an executive career spanning over 25 years, mainly at board level, as Managing Director, CFO and CIO. This included being a Managing Director of Close Brothers Corporate Finance; a Managing Director and Head of the Retail, Hospitality and Leisure sector investment banking at ING Barings, London; and a Director of Terra Firma Capital Partners. Tom originally qualified as a Chartered Accountant at Price Waterhouse in London and has amassed considerable financial and management experience across multiple sectors. Through his executive and non-executive positions, Tom has worked in real estate, financial services, healthcare and banking, and across a number of jurisdictions.

Executive and Non-Executive Directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors who are subject to retirement by rotation shall retire from office. They can then offer themselves for re-election. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.

The Executive Directors are employed under service contracts requiring three to six months' notice by either party. The Non-Executive Directors and the Chairman receive payments under appointment letters which are terminable by three months' notice by either party.

The Board encourages the ownership of shares in the Company by Executive and Non-Executive Directors alike and in normal circumstances does not expect Directors to undertake dealings of a short-term nature. The Board considers ownership of Company shares by Non-Executive Directors as a positive alignment of their interest with shareholders. The Board will periodically review the shareholdings of the independent Non-Executive Directors and will seek guidance from its advisors if, at any time, it is concerned that the shareholding of any independent Non-Executive Director may, or could appear to, conflict with their duties as an independent Non-Executive Director of the Company or their independence itself. Directors' emoluments, including Directors' interest in share options over the Group's share capital, are set out in the Annual Report.

The Board meets at least eight times a year. It has established an Audit Committee and a Remuneration Committee. The Board has agreed that appointments to the Board are made by the Board as a whole and so has decided a separate Nominations Committee is unnecessary at this time.

SKILLS, CAPABILITIES AND BOARD PERFORMANCE

The Board of Directors has a strong mix of financial, operational, renewable energy, waste infrastructure, regulatory and political experience. The Board recognises that it currently has limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Company currently has two independent non-executive directors, Ian Pearson and Thomas Quigley. The Company is satisfied that the Company's Board composition is appropriate given the Company's size and stage of development. The Board will keep this matter under regular review and to the extent additional independence is felt to be required on the Board, it shall be sought.

Internal evaluation of the Board, the Committee and individual directors is seen as an important next step in the development of the board and one that will be addressed during the coming year. The aim is that this will be undertaken on an annual basis in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas as well as the directors' continued independence.

CORPORATE CULTURE

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that employees behave.

A large part of the Group's activities is centred upon addressing customer and market needs. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Board assessment of the culture within the Group at the present time is one where there is respect for all individuals, there is open dialogue within the Group, and there is a commitment to provide the best service possible to all the Group's customers.

The Company has adopted a code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with Rule 21 of the AIM Rules and the Market Abuse Regulation.

GOVERNANCE STRUCTURES AND PROCESSES

Authority for all aspects of the Group's activities rests with the Board. The respective responsibilities of the Chairman and Chief Executive Officer arise as a consequence of delegation by the Board. The Board has adopted two statements; the first sets out matters which are reserved to the Board and the second establishes the policy on delegation of authority. The Chairman is responsible for the effectiveness of the Board, while management of the Group's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

NON-EXECUTIVE DIRECTORS

The Board has adopted guidelines for the appointment of non-executive directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a non-executive director before commencing a first term as Chairman.

In accordance with the Companies Act 2014 of Ireland, the Board complies with the following duties:

- to act in good faith in what the director considers to be the interests of the Company;
- to act honestly and responsibly in relation to the conduct of the affairs of the Company;
- to act in accordance with the Company's constitution and exercise powers only for the purposes allowed by law;
- not to use the Company's property, information or opportunities for the Director's own or anyone else's benefit;
- not to agree to a restriction of the exercise of independent judgement;
- to avoid any conflicts of interest;
- to exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person;
- to have regard to the interests of the members of the Company, in addition to the duty to have regard to the interests of the Company's employees in general.

COMPANY SECRETARY

At present the Finance Director also acts as the Company Secretary. The Company has plans in place to separate the role from an executive director at the appropriate time.

AUDIT COMMITTEE

The Audit Committee comprises Thomas Quigley (Chairman) and Ian Pearson. Meetings are also attended by the Finance Director as appropriate. It meets as required and specifically to review the Interim Report and Annual Report, and to consider the suitability and monitor the effectiveness of internal control processes. The Audit Committee also reviews the findings of the external auditor and reviews accounting policies and material accounting judgements. The Audit Committee normally meets at least three times in each financial year and has unrestricted access to the Group's external auditor.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Ian Pearson (Chairman) and Thomas Quigley. The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets at least annually. In exercising this role, the Directors have regard to the recommendations put forward by the QCA Guidelines.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

2020	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Number of Meetings	**16**	**3**	**3**
Ian Pearson	15	3	3
David Palumbo	16	-	-
Gerry Madden	16	-	-
Yoel Alemán	16	-	-
Thomas Quigley	14	3	3
Jeffrey Vander Linden (since 1 Dec 2020)	3	-	-

The Company's external auditor attends the Audit Committee to present its findings on the audit and to provide a direct line of communication with the Directors.

IAN PEARSON
Chairman

16 April 2021

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company and its subsidiaries, collectively known as 'the Group' for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is focused on delivering shareholder value over the medium to long term by placing its proprietary, proven and patented Advanced Gasification Technology at the heart of leading-edge, waste-to-energy plants across Europe and in North America with emerging opportunities in Asia and the Middle East.

We are a waste-to-value company, using our proven proprietary Advanced Gasification Technology to generate safe, sustainable and clean energy, including electricity, heat, biofuels, synthetic natural gas and green hydrogen, from over 50 different kinds of feedstock, focusing on municipal, agricultural and industrial waste, biomass, and plastics. We collaborate with waste operators, developers, technologists, EPC contractors and capital providers to build sustainable energy from waste infrastructure projects.

Our income currently comes from the following streams: gasification technology sales including software, engineering & design and other related services; maintenance income from operating plants; and we receive development fees from projects where we invest development capital. In the future we expect to receive potential revenue from licensing opportunities and revenue from live operations where EQTEC has an equity stake in a plant.

A review of the Group's business and future developments is contained in the Chairman's Statement and the Chief Executive's Report on pages 6 to 12.

RESULTS AND DIVIDENDS

The results for the financial year are set out on page 27. No dividends have been proposed by the Directors in the current financial year (2019: €Nil).

Principal Risks and Uncertainties

The Group has a risk management structure in place, which is designed to identify, manage and mitigate business risk. Risk assessment and evaluation is an essential part of the Group's internal control system.

Information about the financial risk management objectives and policies of the Group, along with exposure of the Group to credit risk, liquidity risk and market risk, is disclosed in Note 5 of the notes to the consolidated financial statements.

The Group is exposed to a number of other risks and uncertainties. These break into certain important strategic and operational risks which we describe below. Our risk framework operates at the business and functional levels and is designed to identify, evaluate and mitigate risks within each of the risk categories. Our reactions to material future developments as well as our competitors' reactions to those developments will affect our future results.

Strategic Risks

Strategic risk relates to the Company's future business plans and strategies, including the risks associated with the global macro-environment in which we operate, strategic partnerships; intellectual property; and other risks, including the demand for our products and services, competitive threats, the success of investments in our technology and other product and service innovations, and public policy.

Global Macro-environment

Our operations and the execution of our business plans and strategies are subject to the effects of global competition and geopolitical risks. They are also affected by local economic environments, including low interest rates, inflation, recession, currency volatility, currency controls and actual or anticipated default on sovereign debt. Political changes and trends such as populism, economic nationalism and sentiment toward multinational companies and resulting changes to trade, tax or other laws and policies may be disruptive, and can interfere with our global operating model, our supply chain, our customers and all of our activities in a particular location. While some global economic and political risks can be hedged using derivatives or other financial instruments and some are insurable, such attempts to mitigate these risks are costly and not always successful.

Strategic Partnerships

The success of our business depends on achieving our strategic objectives, including through entering into strategic partnerships with significant construction entities and groups where we may have a lesser degree of control over the business operations, which may expose us to additional operational, financial, legal or compliance risks.

Intellectual Property

Our intellectual property portfolio may not prevent competitors from independently developing products and services similar to or duplicative to ours, and the value of our intellectual property may be negatively impacted by external dependencies. Our patents and other intellectual property may not prevent competitors from independently developing or selling products and services similar to or duplicative of ours, and there can be no assurance that the resources invested by us to protect our intellectual property will be sufficient or that our intellectual property portfolio will adequately deter misappropriation or improper use of our technology. If we are not able to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected.

Impact of COVID-19

There remains significant uncertainty and concern as to the duration and impact of the Covid-19 crisis going forward.

Whilst the waste-to-energy sector has been at a macroeconomic level unaffected by the pandemic, operationally there have been delays surrounding logistics, administration and execution of projects caused by national lockdowns and impacts from domestic and international travel restrictions. At this point in time, it is unclear as to how quickly or otherwise restrictions will be lifted.

We are closely monitoring the coronavirus situation, are following Government guidelines in all jurisdictions in which we operate and are sharing these with colleagues. We have taken and are prepared to take further action to deal with this situation as it changes. We have considered the impact, actual and potential, of Covid-19 in our scenario analysis and forecasting.

Impact of Brexit

The end of the transition period on 31 December 2020 following the withdrawal of the United Kingdom from the EU (commonly referred to as "Brexit") and the regulations associated with the EU–UK Trade and Cooperation Agreement ("TCA") which has been applied provisionally since 1 January 2021 has reduced the uncertainty surrounding Brexit. Following the conclusion of the TCA Brexit is no longer considered as a standalone principal risk for the Group and any ongoing issues with regard to the movement of goods are considered as part of either global macro-environment risk or operational and supply chain risk.

Operational Risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of our businesses. It includes product life cycle and execution; product safety and performance; information management and data protection and security, including cybersecurity; supply chain and business disruption; and other risks, including human resources and reputation.

We may face operational challenges that could have a material adverse effect on our business, reputation, financial position and results of operations, and we are dependent on the maintenance of existing product lines, market acceptance of new product and service introductions and product and service innovations for continued revenue and earnings growth.

We produce highly sophisticated products and provide specialised services for both our and third-party products that incorporate or use leading-edge technology, including both hardware and software. Many of our products and services involve complex industrial machinery or infrastructure projects, such as waste-to-energy plants that use our gasification technology, and accordingly the impact of a catastrophic product failure or similar event could be significant. While we have built extensive operational processes to ensure that our product design, manufacture and servicing, and other services that we provide, meet the most rigorous quality standards, there can be no assurance that we or our customers or other third parties will not experience operational process failures or other problems that could result in potential product, safety, regulatory or environmental risks. Despite the existence of crisis management or business continuity plans, operational failures or quality issues, including as a result of organisational changes, attrition or labour relations, could have a material adverse effect on our business, reputation, financial position and results of operations. For a number of limited projects where we take on the full scope of engineering, procurement, construction or other services, the potential risk is greater that operational, quality or other issues at particular projects could adversely affect the Group's results of operations.

The Group invests 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 Group's control. This implies that the timing of funds generated from projects can be difficult to predict and could adversely affect the Group's results of operations.

Supply Chain

Significant raw material shortages, supplier capacity constraints, supplier production disruptions, supplier quality and sourcing issues or price increases could increase our operating costs and adversely impact the competitive positions of our products. Our reliance on third-party suppliers, contract manufacturers and service providers, and commodity markets to secure raw materials, parts, components and sub-systems used in our products exposes us to volatility in the prices and availability of these materials, parts, components, systems and services. A disruption in deliveries from our third-party suppliers, contract manufacturers or service providers, capacity constraints, production disruptions, price increases, or decreased availability of raw materials or commodities, including as a result of catastrophic events, could have an adverse effect on our ability to meet our commitments to customers or increase our operating costs. Quality, capability and sourcing issues experienced by third-party providers can also adversely affect our costs, margin rates and the quality and effectiveness of our products and services and result in liability and reputational harm.

Liquidity

The cash requirements of the Group are forecast by the Board annually in advance and reviewed monthly by management, enabling the Group's cash requirements to be anticipated. The cash forecast includes assumptions with respect to working capital, development spend and the timing of planning consents and financial close of projects. Significant delays in these expected timings may lead to a requirement for additional cash and impinge on going concern.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Group and Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement and Chief Executive's Report. The principal risks and uncertainties are set out above.

Management have produced forecasts for the period up to April 2022 taking account of reasonably plausible changes in trading performance and market conditions, which have been reviewed by the Directors. These reasonably plausible changes include the continued impact of the Covid-19 pandemic and any related operational and execution delays caused by it. The forecasts demonstrate that the Group and Company is forecast to generate profits and cash in 2021/2022 and beyond and that the Group and Company has sufficient cash reserves to enable the Group and Company to meet its obligations as they fall due for a period of at least 12 months from the date when these financial statements have been signed.

After undertaking the assessments and considering the uncertainties set out above, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue to operate for the foreseeable future and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The following Directors held office during the financial year and to the date of this report:

- Gerry Madden
- Ian Pearson
- Thomas Quigley
- David Palumbo
- Yoel Alemán
- Jeffrey Vander Linden (appointed 1 Dec 2020)

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The Directors and secretary of EQTEC plc who held office at 31 December 2020 had the following interests in the Ordinary Shares (€0.001 each) of the Company:

DIRECTORS	AT 31 DECEMBER 2020	AT 31 DECEMBER 2019
Ian Pearson	537,634	537,634
David Palumbo	23,659,090	204,545
Gerry Madden (also the Company's secretary)	18,730,039	1,386,817
Yoel Alemán	78,209,666	67,310,508
Thomas Quigley	26,254,154	15,345,063
Jeffrey Vander Linden	2,633,288	-

Gerry Madden had an interest in 14,926,161 "A" Ordinary Shares (€0.010 each) and 817,140 Deferred B Ordinary Shares (€0.099 each) at the beginning and end of the financial year. The holders of the A and Deferred B Ordinary Shares are not entitled to participate in the profits or assets of the Company and are not entitled to receive notice, attend, speak and vote at general meetings of the Company.

The Directors who held office at 31 December 2020 had the following interests in warrant and option instruments issued by the Company:

DIRECTORS	EMPLOYEE WARRANTS	EMPLOYEE OPTIONS
David Palumbo	196,968,812	-
Gerry Madden	157,575,049	67,304,542
Yoel Alemán	98,484,406	-
Thomas Quigley	19,696,881	-

The exercise price of the share warrants is 0.25p with a contractual life of three years. The exercise price of the share options is 0.65p with a contractual life of four years. At 31 December 2020 all warrants and options had fully vested. The directors did not hold any interest in warrant and option instruments issued by the Company at 31 December 2019.

The directors and secretary who held office at 31 December 2020 did not have any interests in the share capital of any of the subsidiaries of the Company.

REMUNERATION COMMITTEE REPORT

The Group's policy on senior executive remuneration is designed to attract and retain people of the highest calibre who can bring their experience and independent views to the policy, strategic decisions and governance of the Group.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other companies of similar size and scope. A key philosophy is that staff must be properly rewarded and motivated to perform in the best interests of the shareholders. Details of Directors' remuneration are included in Note 34 of the notes to the financial statements.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the Company's business address at Building 1000, City Gate, Mahon, Cork T12 W7CV, Ireland.

IMPORTANT EVENTS SINCE THE YEAR END

Details of events occurring since 31 December 2020 which impact on the Group are included in Note 35 of the notes to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

DIRECTORS' COMPLIANCE STATEMENT

To ensure that the Company achieved material compliance with its relevant obligations, the Directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies respecting compliance by the Company with its relevant obligations.
- put in place appropriate arrangements and structures that are designed to secure material compliance with the Company's relevant obligations.
- conduct a review, during the financial year, of the arrangements and structures, referred to above.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations and the AIM Rules for Companies.

Irish company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the assets, liabilities and financial position and the profit or loss for the Group and the Company. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 assets, liabilities and financial position of the Group and the Company as at the financial year end date and of the profit or loss of the Group and Company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Group and the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and the Company, enable at all times the assets, liabilities, financial position and profit or loss of the Group and the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

The auditors, Grant Thornton, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

IAN PEARSON
Chairman

DAVID PALUMBO
Chief Executive Officer

16 April 2021

FINANCIAL STATEMENTS

EQTEC biomass waste-to-energy plant,
Movialsa, Ciudad Real, Spain

Consolidated statement of profit or loss
for the financial year ended 31 December 2020

	NOTES	2020 €	2019 €
Revenue	8	2,234,727	1,686,312
Cost of sales	9	(1,978,987)	(1,598,250)
Gross profit		**255,740**	**88,062**
Operating income / (expenses)			
Administrative expenses	10	(3,694,217)	(2,677,995)
Other income	11	61,922	195,152
Reversal of impairment of property, plant and equipment and intangible assets	19	-	94,985
Impairment of inventories		-	(98,851)
Impairment of investments	22	(17,250)	-
Other (losses)/gains	12	(170,059)	128,235
Employee share-based compensation	13	(1,297,309)	-
Foreign currency gains/(losses)		211,337	(187,249)
Operating loss		**(4,649,836)**	**(2,457,661)**
Finance income	14	17,329	-
Finance costs	14	(1,206,392)	(1,125,312)
Loss before taxation	16	**(5,838,899)**	**(3,582,973)**
Income tax	17	-	-
Loss for the financial year from continuing operations		**(5,838,899)**	**(3,582,973)**
Profit for the financial year from discontinued operations	32	71,084	21,684
Loss for the financial year		**(5,767,815)**	**(3,561,289)**
Loss attributable to:			
Owners of the Company		(5,762,733)	(3,764,519)
Non-controlling interest		(5,082)	203,230
		(5,767,815)	**(3,561,289)**
		2020 € per share	**2019 € per share**
Basic loss per share:			
From continuing operations	18	(0.001)	(0.001)
From continuing and discontinued operations	18	(0.001)	(0.001)
Diluted loss per share:			
From continuing operations	18	(0.001)	(0.001)
From continuing and discontinued operations	18	(0.001)	(0.001)

The notes on pages 39 to 89 form part of these financial statements.

Consolidated statement of other comprehensive income
for the financial year ended 31 December 2020

	2020 €	2019 €
Loss for the financial year	(5,767,815)	(3,561,289)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on retranslation of foreign operations	6,080	118,066
	6,080	**118,066**
Total comprehensive loss for the financial year	**(5,761,735)**	**(3,443,223)**
Attributable to:		
Owners of the Company	(5,848,045)	(3,669,812)
Non-controlling interests	86,310	226,589
	(5,761,735)	**(3,443,223)**

The notes on pages 39 to 89 form part of these financial statements.

Consolidated statement of financial position
at 31 December 2020

ASSETS	NOTES	2020 €	2019 €
Non-current assets			
Property, plant and equipment	19	187,792	271,255
Intangible assets	20	15,283,459	15,283,459
Financial assets	21	5,950,513	2,229,006
Other financial investments	22	-	17,324
Total non-current assets		**21,421,764**	**17,801,044**
Current assets			
Development costs	24	503,653	-
Loan receivable from project development	24	482,537	-
Trade and other receivables	25	894,531	728,587
Cash and cash equivalents	26	6,394,791	482,392
		8,275,512	**1,210,979**
Assets included in disposal group classified as held for resale	32	-	1,198,074
Total current assets		**8,275,512**	**2,409,053**
Total assets		**29,697,276**	**20,210,097**

Consolidated statement of financial position
at 31 December 2020

EQUITY AND LIABILITIES	NOTES	2020 €	2019 €
Equity			
Share capital	27	24,355,545	21,317,482
Share premium	27	62,896,521	52,487,278
Other reserves		2,148,220	-
Accumulated deficit		(61,875,561)	(56,011,538)
Equity attributable to the owners of the Company		**27,524,725**	**17,793,222**
Non-controlling interests	28	(2,223,986)	(2,326,274)
Total equity		**25,300,739**	**15,466,948**
Non-current liabilities			
Borrowings	29	-	188,729
Lease liabilities	30	106,465	191,708
Total non-current liabilities		**106,465**	**380,437**
Current liabilities			
Trade and other payables	31	3,183,979	876,071
Borrowings	29	1,020,851	2,556,960
Lease liabilities	30	85,242	82,726
		4,290,072	**3,515,757**
Liabilities included in disposal group classified as held for resale	32	-	846,955
Total current liabilities		**4,290,072**	**4,362,712**
Total equity and liabilities		**29,697,276**	**20,210,097**

The financial statements were approved by the Board of Directors on 16 April 2021 and signed on its behalf by:

IAN PEARSON
Non-Executive Chairman

DAVID PALUMBO
Chief Executive Officer

The notes on pages 39 to 89 form part of these financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2020

	SHARE CAPITAL €	SHARE PREMIUM €	OTHER RESERVES €	ACCUMULATED DEFICIT €	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY €	NON-CONTROLLING INTERESTS €	TOTAL €
Balance at 1 January 2019	**19,182,850**	**47,582,446**	**-**	**(52,341,726)**	**14,423,570**	**(2,552,863)**	**11,870,707**
Issue of ordinary shares in EQTEC plc (Note 27)	1,157,100	2,529,382	-	-	3,686,482	-	3,686,482
Conversion of debt into equity (Notes 27 and 29)	977,532	2,645,675	-	-	3,623,207	-	3,623,207
Share issue costs (Note 27)	-	(270,225)	-	-	(270,225)	-	(270,225)
Transactions with owners	**2,134,632**	**4,904,832**	**-**	**-**	**7,039,464**	**-**	**7,039,464**
Loss for the financial year	-	-	-	(3,764,519)	(3,764,519)	203,230	(3,561,289)
Unrealised foreign exchange losses	-	-	-	94,707	94,707	23,359	118,066
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(3,669,812)**	**(3,669,812)**	**226,589**	**(3,443,223)**
Balance at 31 December 2019	**21,317,482**	**52,487,278**	**-**	**(56,011,538)**	**17,793,222**	**(2,326,274)**	**15,466,948**
Issue of ordinary shares in EQTEC plc (Note 27)	2,658,622	9,841,484	-	-	12,500,106	-	12,500,106
Conversion of debt into equity (Notes 27 and 29)	379,441	1,536,252	-	-	1,915,693	-	1,915,693
Share issue costs (Note 27)	-	(639,931)	-	-	(639,931)	-	(639,931)
Employee share-based compensation (Notes 13 & 27)	-	-	1,297,309	-	1,297,309	-	1,297,309
Recognition of equity element of debt (Notes 14 & 27)	-	-	522,349	-	522,349	-	522,349
Warrants issued on placing of shares	-	(328,562)	328,562	-	-	-	-
Change in the ownership interest	-	-	-	(15,978)	(15,978)	15,978	-
Transactions with owners	**3,038,063**	**10,409,243**	**2,148,220**	**(15,978)**	**15,579,548**	**15,978**	**15,595,526**
Loss for the financial year	-	-	-	(5,762,733)	(5,762,733)	(5,082)	(5,767,815)
Unrealised foreign exchange losses	-	-	-	(85,312)	(85,312)	91,392	6,080
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(5,848,045)**	**(5,848,045)**	**86,310**	**(5,761,735)**
Balance at 31 December 2020	**24,355,545**	**62,896,521**	**2,148,220**	**(61,875,561)**	**27,524,725**	**(2,223,986)**	**25,300,739**

The notes on pages 39 to 89 form part of these financial statements.

Consolidated statement of cash flows
for the financial year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASH FLOWS	NOTES	2020 €	2019 €
Cash flows from operating activities			
Loss for the financial year		(5,838,899)	(3,582,973)
Adjustments for:			
Depreciation of property, plant and equipment	19	83,463	100,261
Loss on disposal of property, plant & equipment		1,275	-
Gain on disposal of investment	20	-	(3,078)
Reversal of impairment of property, plant and equipment	19	-	(94,985)
Impairment of other financial investments	22	17,250	-
Employee share-based compensation	13	1,297,309	-
Impairment of inventories	24	-	98,851
Impairment of trade receivables	25	19,016	150,379
Impairment of other receivables	25	-	60,000
Bad debt expense		-	3,255
Loss/(gain) on debt for equity swap	12	170,059	(128,235)
Unrealised foreign exchange movements		(201,723)	70,439
Operating cash flows before working capital changes		**(4,452,250)**	**(3,326,086)**
Decrease/(increase) in:			
Development cost		(503,653)	-
Loan receivable from project development undertakings		(482,537)	-
Trade and other receivables		(475,783)	204,097
Increase/(decrease) in trade and other payables		264,141	(453,854)
Cash used in operating activities – continuing operations		**(4,685,008)**	**(3,575,843)**
Finance income	14	(17,329)	-
Finance costs	14	1,206,392	1,125,312
Net cash used in operating activities – continuing operations		**(3,495,945)**	**(2,450,531)**
Net cash (used in)/generated from operating activities – discontinued operations	32	(47,741)	110,184
Cash used in operating activities		**(3,543,686)**	**(2,340,347)**

Consolidated statement of cash flows
for the financial year ended 31 December 2020 - continued

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED	NOTES	2020 €	2019 €
Cash flows from investing activities			
Additions to property, plant and equipment		-	(10,272)
Proceeds from the disposal of property, plant and equipment		300,000	-
Cash inflow from disposal of subsidiary	33	218,635	-
Selling expenses on disposal of subsidiary	33	(65,261)	-
Loans advanced to project development undertakings		(469,769)	-
Proceeds from the disposal of other investments		84	-
Investment in associate undertaking	21	(1,150,619)	-
Investment in related undertaking		(333,882)	-
Proceeds from the sale of other investments		-	1,610
Proceeds from the sale of interest in associates	21	-	3,078
Net cash used in investing activities – continuing operations		**(1,500,812)**	**(5,584)**
Net cash (used in)/ generated from investing activities – discontinued operations	32	(19,997)	6
Net cash used in investing activities		**(1,520,809)**	**(5,578)**

Consolidated statement of cash flows
for the financial year ended 31 December 2020 - continued

CONSLOLIDATED STATEMENT OF CASH FLOWS CONTINUED	NOTES	2020 €	2019 €
Cash flows from financing activities			
Proceeds from borrowings and lease liabilities	29	107,000	301,584
Repayment of borrowings and lease liabilities	29	(1,363,348)	(1,019,978)
Loan issue costs	29	(30,944)	-
Proceeds from issue of ordinary shares		12,735,236	3,451,697
Share issue costs		(635,911)	(223,556)
Interest paid		(21,955)	(32,091)
Net cash generated from financing activities – continuing operations		**10,790,078**	**2,477,656**
Net cash used in financing activities – discontinued operations	32	(63,196)	(111,106)
Net cash generated from financing activities		**10,726,882**	**2,366,550**
Net increase in cash and cash equivalents		**5,662,387**	**20,625**
Cash and cash equivalents at the beginning of the financial period		608,194	587,569
Cash and cash equivalents at the end of the financial period	**26**	**6,270,581**	**608,194**
Cash and cash equivalents included in disposal group	32	-	(125,802)
Cash and cash equivalents for continuing operations	**26**	**6,270,581**	**482,392**

Details of non-cash transactions are set out in Note 36 of the financial statements.

The notes on pages 39 to 89 form part of these financial statements.

Company statement of financial position
at 31 December 2020

	NOTES	2020 €	2019 €
ASSETS			
Non-current assets			
Investment in subsidiary undertakings	21	21,249,255	17,440,929
Total non-current assets		**21,249,255**	**17,440,929**
Current assets			
Development costs	24	9,275	-
Loan receivable from project development undertakings	24	243,598	-
Trade and other receivables	25	2,703,491	1,334,004
Cash and bank balances	26	6,111,864	448,619
Total current assets		**9,068,228**	**1,782,623**
Total assets		**30,317,483**	**19,223,552**
EQUITY AND LIABILITIES			
Equity			
Share capital	27	24,355,545	21,317,482
Share premium	27	81,830,601	71,421,358
Other reserves		2,148,220	-
Accumulated deficit		(79,661,097)	(76,390,202)
Total equity		**28,673,269**	**16,348,638**
Total non-current liabilities		**-**	**-**
Current liabilities			
Borrowings	29	896,641	2,426,045
Trade and other payables	31	747,573	448,869
Total current liabilities		**1,644,214**	**2,874,914**
Total equity and liabilities		**30,317,483**	**19,223,552**

The Group is availing of the exemption in Section 304 of the Companies Act 2014 from filing its Company Statement of Comprehensive Income. The loss for the financial year incurred by the Company was €3,270,895 (2019: €4,674,802).

The financial statements were approved by the Board of Directors on 16 April 2021 and signed on its behalf by:

IAN PEARSON
Non-Executive Chairman

DAVID PALUMBO
Chief Executive Officer

The notes on pages 39 to 89 form part of these financial statements.

Company statement of changes in equity
for the financial year ended 31 December 2020

	SHARE CAPITAL €	SHARE PREMIUM €	OTHER RESERVES €	ACCUMULATED DEFICIT €	TOTAL €
Balance at 1 January 2019	**19,182,850**	**66,516,526**	**-**	**(71,715,400)**	**13,983,976**
Issue of ordinary shares in EQTEC plc	1,157,100	2,529,382	-	-	3,686,482
Conversion of debt into equity	977,532	2,645,675	-	-	3,623,207
Share issue costs	-	(270,225)	-	-	(270,225)
Transactions with owners	**2,134,632**	**4,904,832**	**-**	**-**	**7,039,464**
Loss for the financial year (Note 37)	-	-	-	(4,674,802)	(4,674,802)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(4,674,802)**	**(4,674,802)**
Balance at 31 December 2019	**21,317,482**	**71,421,358**	**-**	**(76,390,202)**	**16,348,638**
Issue of ordinary shares in EQTEC plc (Note 27)	2,658,622	9,841,484	-	-	12,500,106
Conversion of debt into equity (Notes 27 and 29)	379,441	1,536,252	-	-	1,915,693
Share issue costs (Note 27)	-	(639,931)	-	-	(639,931)
Employee share-based compensation (Notes 13 and 27)	-	-	1,297,309	-	1,297,309
Recognition of equity element of debt (Notes 14 and 27)	-	-	522,349	-	522,349
Warrants issued on placing of shares (Note 27)	-	(328,562)	328,562	-	-
Transactions with owners	**3,038,063**	**10,409,243**	**2,148,220**	**-**	**15,595,526**
Loss for the financial year (Note 37)	-	-	-	(3,270,895)	(3,270,895)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(3,270,895)**	**(3,270,895)**
Balance at 31 December 2020	**24,355,545**	**81,830,601**	**2,148,220**	**(79,661,097)**	**28,673,269**

The notes on pages 39 to 89 form part of these financial statements.

Company statement of cash flows
for the financial year ended 31 December 2020

COMPANY STATEMENT OF CASH FLOWS	NOTES	2020 €	2019 €
Cash flows from operating activities			
Loss before taxation		(3,270,895)	(4,674,802)
Adjustments for:			
Depreciation of property, plant and equipment		-	616
Impairment of property, plant and equipment		-	206
Employee share-based compensation	13	1,297,309	-
Reversal of impairment of intercompany loans		(1,720,704)	-
Finance costs		1,177,335	1,083,703
Finance income		(13,397)	-
Provision for impairment of investment in subsidiaries	21	-	1,427,038
Provision for impairment of trade and other receivables	25	-	30,000
Provision for impairment of intercompany balances		140,678	489,689
Provision for impairment of other receivables	25	-	60,000
Bad debt expense		-	3,255
Loss/(gain) on debt for equity swap	12	170,059	(128,235)
Foreign currency losses/(gains) arising from retranslation of borrowings		235,968	(36,110)
Operating cash flows before working capital changes		**(1,983,647)**	**(1,744,640)**
Funds advanced to inter-company accounts		(2,112,285)	(1,376,852)
Repayment of inter-company balances		689,637	79,251
(Increase) in development costs		(9,275)	-
(Increase) in loans receivable from project development undertakings		(243,598)	-
Decrease/(increase) in trade and other receivables		135,825	(10,826)
Increase in trade and other payables		352,350	323,096
Net cash used in operating activities		**(3,170,993)**	**(2,729,971)**
Cash flows from investing activities			
Investment in associate undertakings	21	(1,150,619)	-
Investment in subsidiary	21	(1,000,000)	-
Loans advanced to project development undertakings		(230,957)	-
Net cash generated from/(used in) investing activities		**(2,381,576)**	**-**

The notes on pages 39 to 89 form part of these financial statements.

Company statement of cash flows
for the financial year ended 31 December 2020 - continued

COMPANY STATEMENT OF CASH FLOWS CONTINUED	NOTES	2019 €	2020 €
Cash flows from financing activities			
Proceeds from borrowings	29	-	301,584
Repayment of borrowings	29	(852,567)	(732,794)
Proceeds from issue of ordinary shares		12,735,236	3,451,697
Share issue costs		(635,911)	(223,556)
Loan issue costs	29	(30,944)	-
Interest paid		-	(482)
Net cash generated from financing activities		**11,215,814**	**2,796,449**
Net increase in cash and cash equivalents		**5,663,245**	**66,478**
Cash and cash equivalents at the beginning of the financial year		448,619	382,141
Cash and cash equivalents at the end of the financial year	**26**	**6,111,864**	**448,619**

The notes on pages 39 to 89 form part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

EQTEC plc ("the Company") is a company domiciled in Ireland. These financial statements for the financial year ended 31 December 2020 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as 'the Group').

The Group is a waste-to-value group, which uses its proven proprietary Advanced Gasification Technology to generate safe, green energy from over 50 different kinds of feedstock such as municipal, agricultural and industrial waste, biomass, and plastics. The Group collaborates with waste operators, developers, technologists, EPC contractors and capital providers to build sustainable waste elimination and green energy infrastructure.

The Company's principal activity is the management of holding companies.

Our income currently comes from the following streams: gasification technology sales including software, engineering & design and other related services; maintenance income from operating plants; and we receive development fees from projects where we invest development capital. In the future we expect to receive potential revenue from licensing opportunities and revenue from live operations where EQTEC has an equity stake in a plant.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New/revised standards and interpretations adopted in 2020

In the current financial year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union, that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 3 Definition of a business;
- Amendments to IAS 1 and IAS 8 Definition of material;
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform;
- Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards; and
- Amendments to IFRS 16 COVID-19 Rent Related Concessions.

New and revised IFRS Standards in issue but not yet effective

The following new and revised Standards and Interpretations have not been adopted by the Group, whether endorsed by the European Union or not. The Group is currently analysing the practical consequences of the new Standards and the effects of applying them to the financial statements. The related standards and interpretations are:

- IFRS 17 Insurance Contracts;
- IFRS 10 and IAS 28 (amendments) Sale of Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3 Reference to the Conceptual Framework;
- Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use;
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2; and
- Annual improvements to IFRS Standards 2018-2020 cycle Amendments to IFRS 1 First time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS41 Agriculture.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. STATEMENT OF ACCOUNTING POLICIES

Statement of compliance, basis of preparation and going concern

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU') and effective at 31 December 2020 for all years presented as issued by the International Accounting Standards Board.

The financial statements of the parent company, EQTEC plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU') effective at 31 December 2020 for all years presented as issued by the International Accounting Standards Board and Irish Statute comprising the Companies Act 2014.

The consolidated financial statements are prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value. The principal accounting policies set out below have been applied consistently by the parent company and by all of the Company's subsidiaries to all years presented in these consolidated financial statements.

Comparative amounts have been represented where necessary, to present the financial statements on a consistent basis.

The financial statements are presented in euros and all values are not rounded, except when otherwise indicated.

The Group incurred a loss of €5,767,815 (2019: €3,561,289) during the financial year ended 31 December 2020 and had net current assets of €3,985,440 (2019: net current liabilities of €1,953,659) and net assets of €25,300,739 (31 December 2019: €15,466,948) at 31 December 2020.

The financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement and Chief Executive's Report. The principal risks and uncertainties are set out in the Directors' Report.

Management have produced forecasts for the period up to April 2022 taking account of reasonably plausible changes in trading performance and market conditions, which have been reviewed by the Directors. These reasonably plausible changes include the continued impact of the Covid-19 pandemic and any related operational and execution delays caused by it. The forecasts demonstrate that the Group and Company is forecast to generate profits and cash in 2021/2022 and beyond and that the Group has sufficient cash reserves to enable the Group and Company to meet its obligations as they fall due for a period of at least 12 months from the date when these financial statements have been signed.

After undertaking the assessments and considering the uncertainties set out above, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue to operate for the foreseeable future and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2020. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the financial year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Step acquisitions

Business combination achieved in stages is accounted for using acquisition method at acquisition date. The components of a business combination, including previously held investments are remeasured at fair value at acquisition date and a gain or loss is recognised in the consolidated statement of profit or loss.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale (see also policy on non-current assets and liabilities classified as held for sale and discontinued operations below and Note 32).

Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. When the Group's share of losses on an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of future losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Investments in subsidiaries

Investments in subsidiaries in the Company's statement of financial position are measured at cost less accumulated impairment. When necessary, the entire carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Euro, which is also the functional and presentation currency of the parent company. The Group has subsidiaries in the United Kingdom, whose functional currency is the GBP £.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in consolidated statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Euro are translated into Euro upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting financial year.

On consolidation, assets and liabilities have been translated into Euro at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Euro at the closing rate. Income and expenses have been translated into Euro at the average rate over the reporting financial year. Exchange differences are charged or credited to consolidated statements of other comprehensive income and recognised in the accumulated deficit reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Segment reporting

The Group has two operating segments: the power generation segment and the technology sales segment. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each operating segment is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group's central administration costs and directors' salaries.

Revenue

Revenue arises from the rendering of services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Rendering of services

The Group generates revenues from after-sales service and maintenance, consulting, and construction contracts for renewable energy systems. Consideration received for these services is initially deferred, included in other payables, and is recognised as revenue in the financial year when the performance obligation is satisfied. In recognising after-sales service and maintenance revenues, the Group determines the stage of completion by considering both the nature and timing of the services provided and its customer's pattern of consumption of those services, based on historical experience. Where the promised services are characterised by an indeterminate number of acts over a specified year of time, revenue is recognised over time.

Revenue from consulting services is recognised when the services are provided by reference to the contract's stage of completion at the reporting date in the same way as construction contracts for renewable energy systems described below.

Construction contracts for renewable energy systems

Construction contracts for renewable energy systems specify a fixed price for the design, development and installation of biomass systems. When the outcome can be assessed reliably, contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Contract revenue is measured at the fair value of consideration received or receivable and recognised over time on a cost-to-cost method. When the Group cannot measure the outcome of a contract reliably, revenue is recognised only to the extent of contract costs that have been incurred and are recoverable. Contract costs are recognised in the financial year in which they are incurred. In either situation, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in consolidated statement of profit or loss.

A construction contract's stage of completion is assessed by management by comparing costs incurred to date with the total costs estimated for the contract (a procedure sometimes referred to as the cost-to-cost method). Only those costs that reflect work performed are included in costs incurred to date. The gross amount due from customers for contract work is presented within trade and other receivables for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. The gross amount due to customers for contract work is presented within other liabilities for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Interest and dividends

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates and joint ventures, are recognised at the time the right to receive payment is established.

Operating expenses

Operating expenses are recognised in consolidated statement of profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Group incurs an obligation, which is typically when the related goods are sold.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment at least annually. Refer below for a description of impairment testing procedures.

Non-controlling interests

Non-controlling interests that are present ownership interest and entitle their holders to a proportionate share of the entity's net assets in the event of a liquidation may be initially measured either at fair value of at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value, or, when applicable, on the basis specified in another IFRS.

Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Property, plant and equipment, are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of leasehold buildings. The following useful lives are applied:

- Leasehold buildings: 5-50 years
- Office equipment: 2-5 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of leasehold buildings are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Construction in progress is stated at cost less any accumulated impairment loss. Cost comprises direct costs of construction as well as interest expense and exchange differences capitalised during the year of construction and installation. Capitalisation of these costs ceases and the asset in course of construction is transferred to fixed assets when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of payments on account and asset in course of construction until it is fully completed and ready for its intended use.

Leased assets

The Group as a lessee

The Group makes the use of leasing arrangements principally for the provision of the main office space. The rental contract for offices are typically negotiated for terms of between 3 and 10 years and some of these have extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration. Some lease contracts contain both lease and non-lease components. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component.

Measurement and recognition of leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. 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 payments 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 payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), 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 reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in consolidated statement profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in consolidated statement of profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Impairment testing of goodwill and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Development assets

Development assets are composed of stated at the lower of cost and net realisable value. Cost comprises direct materials and overheads that have been incurred in furthering the development of a project towards financial close, when project financing is in place so that the project undertaking can commence construction. Net realisable value represents the costs plus an estimated development premium to be earned on the costs at financial close of a project.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value, and trade receivables that do not contain a significant financing component, which are measured at the transaction price in accordance with IFRS 15. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, the Group does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the Group's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in consolidated statement of profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within administrative expenses.

Financial assets at amortised cost and impairment
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated at FVTPL):

- they are held within the business model whose objective is to hold the financial asset and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group and Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group and Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2020 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates in the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Classification and subsequent measurement of financial liabilities

The Group and Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

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

Income taxes

Tax expense recognised in consolidated statement of profit or loss comprises the sum of deferred tax and current tax not recognised in consolidated statement of other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting financial year. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations (see also policy on profit or loss from discontinued operations above).

Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Accumulated deficit include all current and prior financial year retained losses. All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. The Company issues equity- settled share-based payments in the form of share options and warrants to certain Directors, employees and advisers.

Equity-settled share-based payments are made in settlement of professional and other costs. These payments are measured at the fair value of the services provided which will normally equate to the invoiced fees and charged to the consolidated statement of profit or loss, share premium account or are capitalised according to the nature of the fees incurred.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted on the basis of management's best estimate for the effects of non- transferability, exercise restrictions and behavioural considerations. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting years or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current financial year. The number of vested options ultimately exercised by holders does not impact the expense recorded in any financial year.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Warrants

Share warrants issued to shareholders in connection with share capital issues are measured at fair value at the date of issue and treated as a separate component of equity, in Other Reserves. Fair value is determined at the grant date and is estimated using the Black-Scholes valuation model. Share warrants issued separately to Directors, employees and advisers are accounted for in accordance with the policy on share-based payments.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Going concern

As described in the basis of preparation and going concern in Note 3 above, the validity of the going concern basis is dependent upon the achievement of management forecasts taking account of reasonably plausible changes in trading performance and market conditions, which include the continued impact of the Covid-19 pandemic and any related operational and execution delays caused by it. After undertaking the assessments and considering the uncertainties set out above, the Directors have a reasonable expectation that the Group and the Company has adequate resources to continue to operate for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group and Company's ability to continue as a going concern.

Control assessment in a business combination.

As disclosed in Note 21, the Group owns 50.02% of the voting rights in Newry Biomass Limited. One other company owns the remaining voting rights. Management has reassessed its involvement in Newry Biomass Limited in accordance with IFRS 10's revised control definition and guidance and has concluded that it has control of Newry Biomass Limited.

Financial Instruments

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the financial statements.

Revenue

As revenue from construction contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied. It also requires significant judgment in determining the estimated costs required to complete the promised work when applying the cost-to-cost method.

Deferred tax assets

Deferred tax is recognised based on differences between the carrying value of assets and liabilities and the tax value of assets and liabilities. Deferred tax assets are only recognised to the extent that the Group estimates that future taxable profits will be available to offset them. The Group and Company has not recognised any deferred tax assets in the current or prior financial years.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of goodwill and non-financial assets

Determining whether goodwill and non-financial assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise. The estimate for future cash flows includes consideration of possible delays due to Covid-19. The total property, plant and equipment reversal of impairment charges during the financial year as included in Note 19 amounted to €Nil (2019: Reversal of Impairment cost of €94,985), while the impairment for goodwill during the financial year as included in Note 20 amounted to €Nil (2019: €Nil).

Provision for impairment of financial assets

Determining whether the carrying value of financial assets has been impaired requires an estimation of the value in use of the investment in subsidiaries and joint venture vehicles. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €Nil (2019: €Nil) be recognised in the Group accounts and €Nil (2019: €1,427,038) be recognised in the Company accounts of EQTEC plc. Details of this impairment are set out in Note 21.

Allowances for impairment of trade receivables

The Group estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Group has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship. The Group and Company measure expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. At 31 December 2020, provisions for doubtful debts amounted to €475,687 which represents 74% of trade receivables at that date (31 December 2019: €456,671– 57%) (see Note 25).

Fair value measurement

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.

Share based payments and warrants

The calculation of the fair value of equity-settled share-based awards and warrants issued in connection with share issues and the resulting charge to the consolidated statement of profit or loss or share-based payment reserve requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards at the date of grant (see Notes 13, 14 and 27).

Estimating impairment of development assets

Management estimates the net realisable values of development assets, taking into account the most reliable evidence available at each reporting date. The future realisation of these development assets may be affected by market-driven changes that may reduce future prices/premiums (see Note 24).

5. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group and Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign currency exchange risk.

The Group and Company's financial risk management programme aims to manage the Group's exposure to the aforementioned risks in order to minimise the potential adverse effects on the financial performance of the Group and Company. The Group and Company seeks to minimise the effects of these risks by monitoring the working capital position, cash flows and interest rate exposure of the Group and Company. There is close involvement by members of the Board of Directors in the day-to-day running of the business.

Many of the Group and Company's transactions are carried out in Pounds Sterling. The Group and Company's exposure to price risk is not a significant risk as the Company does not currently hold a portfolio of securities which may be materially impacted by a decline in market values.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group and Company. The Group and Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables and loans receivable from project development undertakings.

The Group's maximum exposure to credit risk is represented by the balance sheet amount of each financial asset:

	2020 €	2019 €
Loans receivable from project development undertakings	482,537	-
Trade and other receivables	894,531	639,028
Cash and cash equivalents	6,394,791	482,392

The Company's maximum exposure to credit risk is represented by the balance sheet amount of each financial asset:

	2020 €	2019 €
Loans receivable from project development undertakings	243,598	-
Trade and other receivables	2,703,491	1,334,004
Cash and cash equivalents	6,111,864	448,619

The Group and Company's credit risk is primarily attributable to its loans receivable from project development undertakings and trade and other receivables.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group's exposure to credit risk arises from defaulting customers, with a maximum exposure equal to the carrying amount of the related receivables. Provisions are made for impairment of trade receivables when there is default of payment terms and significant financial difficulty. On-going credit evaluation is performed on the financial condition of accounts receivable at operating unit level at least on a monthly basis. Refer to Note 2 for a detailed analysis of how the impairments requirements of IFRS 9 are applied.

The Group does not have significant risk exposure to any single counterparty. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the financial year. The Group defines counterparties as having similar characteristics if they are related parties.

Exposure to credit risk on cash deposits and liquid funds is monitored by directors. Cash held on deposit is with financial institutions in the Ba rating category of Moody's (2019: Ba). The directors are of the opinion that the likelihood of default by a counter party leading to material loss is minimal. The reconciliation of loss allowance is included in Note 25.

Liquidity risk

The Group and Company's liquidity is managed by ensuring that sufficient facilities are available for the Group and Company's operations from diverse funding sources. The Group uses cash flow forecasts to regularly monitor the funding requirements of the Group. The Group's operations are funded by cash generated from financing activities, borrowings from banks and investors and proceeds from the issuance of ordinary share capital.

The table below details the maturity of the Group's liabilities as at 31 December 2020:

	NOTES	UP TO 1 YEAR €	1-5 YEARS €	AFTER 5 YEARS €	TOTAL €
Trade and other payables	31	3,183,980	-	-	3,183,980
Lease liabilities	30	85,242	`106,465	-	191,707
Investor loans	29	896,641	-	-	896,641
Bank overdraft	29	124,210	-	-	124,210
		4,290,073	**106,465**	**-**	**4,396,538**

The table below details the maturity of the Group's liabilities as at 31 December 2019:

	NOTES	UP TO 1 YEAR €	1-5 YEARS €	AFTER 5 YEARS €	TOTAL €
Trade and other payables	31	876,071	-	-	876,071
Lease liabilities	30	82,726	191,708	-	274,434
Investor loans	29	2,431,736	-	-	2,431,736
Bank borrowings	29	125,224	188,729	-	313,953
		3,515,757	**380,437**	**-**	**3,896,194**

Maturity of all Company's liabilities as at 31 December 2020 and 31 December 2019 are up to 1 year. Refer to Note 29 and 31 for the outstanding balance.

Interest rate risk

The primary source of the Group's interest rate risk relates to bank loans and other debt instruments while the Company's interest rate risk relates to debt instruments. The interest rates on these liabilities are disclosed in Note 29.

The Group's bank borrowings and other debt instruments (excluding amounts in the disposal group) amounted to €1,020,851 and €2,745,689 in 31 December 2020 and 31 December 2019, respectively. The Company's debt instruments amounted to €896,641 and €2,426,045 in 31 December 2020 and 31 December 2019, respectively.

The interest rate risk is managed by the Group and Company by maintaining an appropriate mix of fixed and floating rate borrowings. The Group and Company does not engage in hedging activities. Bank borrowings and certain debt instruments are arranged at floating rates which are mainly based upon EURIBOR and the prime lending rate of financial institutions thus exposing the Group and Company to cash flow interest rate risk. The other remaining debt instruments were arranged at fixed interest rates and expose the Group and Company to a fixed cash outflow.

These bank borrowings and debt instruments are mostly medium-term to long-term in nature. Interest rates on loans received from investors and shareholders are fixed in some cases while others are a fixed percentage greater than current prime lending rates. 'Medium-term' refers to bank borrowings and debt instruments repayable between 2 and 5 years and 'long-term' to bank borrowings repayable after more than 5 years.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting financial year which are applicable to the Group. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the financial year was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates have been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the financial year ended 31 December 2020 would increase/decrease by €621 (2019: increase/decrease by €5,646) with a corresponding decrease/increase in equity. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings, which are primarily included in Eqtec Iberia SLU and in the disposal group.

The Group's sensitivity to interest rates has decreased during the current financial year mainly due to the repayment of bank borrowings in Eqtec Iberia SLU and the disposal of the disposal group in the financial year.

The Company's exposure to interest rates for non-derivative instruments is not significant.

Foreign exchange risk

The Group and Company is mainly exposed to future changes in the Sterling and the US Dollar relative to the Euro. These risks are managed by monthly review of Sterling and US Dollar denominated monetary assets and monetary liabilities and assessment of the potential exchange rate fluctuation exposure. The Group and Company's exposure to foreign exchange risk is not actively managed. Management will reassess their strategy to foreign exchange risk in the future.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting financial year are as follows:

	LIABILITIES		ASSETS	
	2020 €	2019 €	2020 €	2019 €
Sterling	2,722,298	1,345,407	6,441,771	720,511
US Dollar	984,906	1,418,028	38,354	-

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting financial year are as follows:

	LIABILITIES		ASSETS	
	2020 €	2019 €	2020 €	2019 €
Sterling	461,909	1,220,494	7,221,106	718,773
US Dollar	984,906	1,418,028	54,661	-

The following table details the Group and Company's sensitivity to a 10% increase and decrease in the Euro against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in the currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit where the Euro strengthens 10% against the relevant currency. For a 10% weakening of the Euro against the relative currency, there would be a comparable impact on the loss, and the balances below will be negative.

	STERLING IMPACT		US DOLLAR IMPACT	
	2020 €	2019 €	2020 €	2019 €
Group: Profit and loss/equity	375,704	63,121	95,611	143,235
Company: Profit and loss/equity	682,747	50,679	93,964	143,235

The Group and Company's sensitivity to foreign currency has increased during the current financial year mainly due to the placing of equity for sterling in the financial year.

6. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, which are detailed above. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

The Group manages its capital to ensure that the Group is able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of financial liabilities, cash and cash equivalents and equity attributable to the equity holders of the parent company.

The Group's management reviews the capital structure on a yearly basis. As part of the review, management considers the cost of capital and risks associated with it. The Group's overall strategy on capital risk management is to continue to improve the ratio of debt to equity.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

The gearing ratio of the Group for the financial year presented is as follows:

	31 DEC 2020 €	31 DEC 2019 €
Borrowings	1,020,851	2,745,689
Lease liabilities	191,707	274,434
Cash and bank balances	(6,394,791)	(482,392)
Net debt	**(5,182,233)**	**2,537,731**
Equity	27,524,725	17,793,222
Net debt to equity ratio	(19%)	14%

7. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the products and services sold to customers. The Group's reportable segments under IFRS 8 Operating Segments are as follows:

Technology Sales: Being the sale of Gasification Technology and associated Engineering and Design Services;

Power Generation: Being the development and operation of renewable energy electricity and heat generating plants.

The chief operating decision maker is the Chief Executive Officer. Information regarding the Group's current reportable segment is presented below. The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	SEGMENT REVENUE		SEGMENT PROFIT/(LOSS)	
	2020 €	2019 €	2020 €	2019 €
Technology Sales	2,234,727	1,664,874	(878,877)	(1,206,736)
Power Generation	-	21,438	(11,094)	235,305
Total from continuing operations	**2,234,727**	**1,686,312**	**(889,971)**	**(971,431)**
Central administration costs and directors' salaries			(2,548,506)	(1,618,502)
Reversal of Impairment of property, plant and equipment and intangible assets			-	94,985
Impairment of inventories			-	(98,851)
Impairment of investments			(17,250)	-
Other income			61,922	195,152
Other gains and losses			(170,059)	128,235
Foreign currency gains /(losses)			211,337	(187,249)
Employee share-based compensation			(1,297,309)	-
Finance income			17,329	-
Finance costs			(1,206,392)	(1,125,312)
Loss before taxation (continuing operations)			**(5,838,899)**	**(3,582,973)**

Revenue reported above represents revenue generated from jointly controlled entities and external customers. Inter-segment sales for the financial year amounted to €Nil (2019: €Nil). Included in revenues in the Technology Sales Segment are revenues of €1,980,000 (2019: €Nil) which arose from sales to North Fork Community Power LLC, an associate undertaking of EQTEC plc. This represents 89% (2019: 0%) of total revenues in the financial year. Included in revenues in the Power Generation Segment are revenues of €Nil (2019: €21,438) which arose from sales to GG Eco Energy Limited, an associate undertaking of EQTEC plc. This represents 0% (2019: 1%) of total revenues in the financial year.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. 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 profit or loss of jointly controlled entities, profit on disposal of jointly controlled entities, interest costs, interest income and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Other segment information:

	DEPRECIATION AND AMORTISATION		ADDITIONS TO NON-CURRENT ASSETS	
	2020 €	2019 €	2020 €	2019 €
Technology Sales	83,463	99,644	-	10,272
Power Generation	-	-	-	-
Head Office	-	617	-	-
	83,463	**100,261**	**-**	**10,272**

In addition to the depreciation and amortisation reported above, reversal of impairment losses of €Nil (2019: reversal of impairment losses of €94,985) were recognised in respect of property, plant, equipment and intangible assets and goodwill respectively. These reversal of impairment losses and impairment losses were attributable as follows: Power Generation Segment, Reversal of impairment losses €Nil (2019: reversal of impairment losses of €173,516); Technology Sales Impairment losses €Nil (2019: loss of €78,326); Head Office Impairment losses €Nil (2019: €206).

The Group operates in four principal geographical areas: Republic of Ireland (country of domicile), Spain, the United States of America 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 ASSOCIATES AND EXTERNAL CUSTOMERS		NON-CURRENT ASSETS*	
	2020 €	2019 €	2020 €	2019 €
Republic of Ireland	-	-	-	-
Spain	254,727	1,664,874	187,792	271,255
United States of America	1,980,000	-	-	-
United Kingdom	-	21,438	-	-
	2,234,727	**1,686,312**	**187,792**	**271,255**

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

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.

8. REVENUE

An analysis of the Group's revenue for the financial year (excluding interest revenue), from continuing and discontinued operations, is as follows:

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Revenue from technology sales	2,234,727	1,664,874	-	-
Revenue from the generation of energy from wind	-	-	135,644	193,614
Revenue from consultancy fees associated with the generation of heat	-	21,438	-	-
	2,234,727	**1,686,312**	**135,644**	**193,614**

9. COST OF SALES

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Materials purchased	1,978,987	1,598,250	-	-
ISEM trading fees	-	-	663	955
	1,978,987	**1,598,250**	**663**	**955**

10. ADMINISTRATIVE EXPENSES

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Employee expenses	1,694,651	1,591,198	-	-
Office and operating expenses	129,918	(65,634)	37,548	54,579
Marketing expenses	78,644	1,962	-	-
Professional fees	848,651	424,292	4,995	11,908
Depreciation of property, plant & equipment (Note 19)	83,463	100,261	48,578	73,245
Loss on disposal of investments	1,275	-	-	-
Reversal of impairment of investments (Note 21)	-	(3,078)	-	-
Impairment of trade and other receivables (Note 25)	19,016	210,379	-	-
Bad debts	-	3,255	-	-
Travel and subsistence	158,013	104,414	-	-
Other miscellaneous expenses	24,923	13,979	112	104
Regulatory expenses	655,663	296,967	-	-
	3,694,217	**2,677,995**	**91,233**	**139,836**

11. OTHER INCOME

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Income from lease arrangements	-	24,157	-	-
Income from other services	-	13,144	-	-
Operating grants	39,782	157,851	-	-
Reimbursement of wind development costs	16,449	-	-	-
Other income	5,691	-	-	-
	61,922	**195,152**	**-**	**-**

12. OTHER GAINS AND LOSSES

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
(Loss)/Gain on debt for equity swap	(170,059)	128,235	-	-

During the financial year the Group extinguished some of its borrowings by issuing equity instruments. In accordance with IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, the loss recognised on these transactions was €170,059 (2019: gain of €128,235).

13. EMPLOYEE SHARE-BASED PAYMENTS

	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Expensed in the year	1,297,309	-	-	-

The share-based payment expense includes the cost of employee warrants and options granted and vested in the year (Note 27).

14. FINANCE COSTS AND INCOME

FINANCE COSTS	CONTINUING		DISCONTINUED	
	2020 €	2019 €	2020 €	2019 €
Interest on loans, bank facilities and overdrafts	1,199,290	1,105,768	18,382	31,145
Interest expense for leasing arrangements	7,102	9,544	-	-
Other interest	-	10,000	-	-
	1,206,392	**1,125,312**	**18,382**	**31,145**
Finance Income				
Interest receivable on loans advanced	13,397	-	-	-
Interest receivable on deferred consideration	3,932	-	-	-
Interest receivable on bank deposits	-	-	3	6
	17,329	**-**	**3**	**6**

Included in finance costs under continuing activities is an amount of €522,349 (2019: €Nil) with respect to lender warrants granted during the year (see Note 27).

Notes to the Financial Statements

15. EMPLOYEE DATA

EMPLOYEE COSTS (INCLUDING EXECUTIVE DIRECTORS)	2020 €	2019 €
Salaries	858,915	1,017,471
Social insurance costs	163,423	196,616
Equity settled share-based payments (see Note 13)	1,297,309	-
Pension costs	(16,932)	17,635
	2,302,715	**1,231,722**
	No.	No.
Average number of employees (including executive directors)	13	12
Company		
Average number of employees (including executive directors)	2	3

Capitalised employee costs in the financial year amounted to €Nil (2019 €Nil).

16. LOSS BEFORE TAXATION

LOSS BEFORE TAXATION ON CONTINUING OPERATIONS IS STATED AFTER CHARGING/(CREDITING)	2020 €	2019 €
Depreciation of property, plant and equipment (Note 19)	83,463	100,261
Impairment of investments	17,250	-
(Gain)/Loss on foreign exchange	(211,337)	187,249
Directors’ remuneration: for services as directors (Note 34)	486,122	227,025
Directors’ remuneration: for other services (Note 34)	408,948	462,515
Directors’ remuneration: share-based payments (Note 34)	1,127,141	-
Impairment of inventories (Note 24)	-	98,851
Reversal of impairment losses of property, plant and equipment charged to profit and loss (Note 19)	-	(94,985)

AUDITOR’S REMUNERATION	2020 €	2019 €
Audit of Group accounts	60,000	50,000
Tax advisory services	11,000	10,700
	71,000	**60,700**

17. INCOME TAX

	2020 €	2019 €
Income tax expense comprises:		
Current tax expense	-	-
Deferred tax credit	-	-
Adjustment for prior financial years	-	-
Tax expense	**-**	**-**

	2020 €	2019 €
Loss before taxation	(5,767,815)	(3,561,289)
Applicable tax 12.50% (2019: 12.50%)	(720,977)	(445,161)
Effects of:		
Amortisation & depreciation in excess of capital allowances	17,130	21,688
Expenses not deductible for tax purposes	248,715	(27,902)
Losses carried forward	455,132	451,375
Movement in deferred tax	-	-
Actual tax expense	**-**	**-**

The tax rate used for the reconciliation above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in that jurisdiction.

18. LOSS PER SHARE

	2020 PER SHARE €	2019 PER SHARE €
Basic loss per share		
From continuing operations	(0.001)	(0.001)
From discontinued operations	-	-
Total basic loss per share	**(0.001)**	**(0.001)**
Diluted loss per share		
From continuing operations	(0.001)	(0.001)
From discontinued operations	-	-
Total diluted loss per share	**(0.001)**	**(0.001)**

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

	2020 €	2019 €
Loss for period attributable to equity holders of the parent	(5,762,733)	(3,764,519)
Profit for the period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	71,084	21,684
Losses used in the calculation of basic loss per share from continuing operations	**(5,833,817)**	**(3,786,203)**
	No.	**No.**
Weighted average number of ordinary shares for the purposes of basic loss per share	5,435,107,932	2,576,585,384
Weighted average number of ordinary shares for the purposes of diluted loss per share	5,435,107,932	2,576,585,384

Dilutive and anti-dilutive potential ordinary shares

The following potential ordinary shares were excluded in the diluted earnings per share calculation as they were anti-dilutive.

	2020 PER SHARE €	2019 PER SHARE €
Share warrants in issue	651,936,876	297,800,062
Convertible loans in issue	-	331,566,767
Total anti-dilutive shares	**651,936,876**	**629,366,829**

Details of share warrants in issue outstanding at year-end are set out in Note 27.

Events after the year-end

As disclosed in Note 35, 42,773,543 were issued on 5 January 2021 as part of an exercise of warrants held. If these shares were in issue prior to 31 December 2020, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic and diluted loss per share by 3,564,462 (assuming the shares were issued in December 2020).

As disclosed in Note 35, 66,426,341 were issued on 1 February 2021 pursuant to existing Director remuneration arrangements and in satisfaction of fees owed to certain strategic suppliers. If these shares were in issue prior to 31 December 2020, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic and diluted loss per share by 5,535,528 (assuming the shares were issued in December 2020).

As disclosed in Note 35, 114,000,000 were issued on 1 March 2021 as part of an exercise of warrants held. If these shares were in issue prior to 31 December 2020, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic and diluted loss per share by 9,500,000 (assuming the shares were issued in December 2020).

19. PROPERTY, PLANT & EQUIPMENT

GROUP	LEASEHOLD BUILDINGS €	OFFICE EQUIPMENT €	CONSTRUCTION IN PROGRESS €	TOTAL €
Cost				
At 1 January 2019	-	171,829	11,806,557	11,978,386
Adjustment on transition to IFRS 16	354,718	-	-	354,718
Additions		10,272	-	10,272
Disposals		(840)	(294,960)	(295,800)
Consideration for acquisition of associate (Note 21)		-	(9,745,158)	(9,745,158)
Foreign currency adjustment	-	3	698,664	698,667
At 31 December 2019	**354,718**	**181,264**	**2,465,103**	**3,001,085**
Disposals	-	(117,922)	-	(117,922)
Derecognition of assets	-	-	(2,465,103)	(2,465,103)
At 31 December 2020	**354,718**	**63,342**	**-**	**418,060**
Accumulated depreciation				
At 1 January 2019	-	86,773	9,578,182	9,664,955
Charge for the financial year	83,463	16,798	-	100,261
Charge on disposal	-	(840)	-	(840)
Consideration for acquisition of associate (Note 21)	-	-	(7,516,152)	(7,516,152)
Impairment/Reversal of impairment	-	78,531	(173,516)	(94,985)
Foreign currency adjustment	-	2	576,589	576,591
At 31 December 2019	**83,463**	**181,264**	**2,465,103**	**2,729,830**
Charge for the financial year	83,463	-	-	83,463
Charge on disposal	-	(117,922)	-	(117,922)
Derecognition of assets	-	-	(2,465,103)	(2,465,103)
At 31 December 2020	**166,926**	**63,342**	**-**	**230,268**
Carrying amount				
At 31 December 2019	**271,255**	**-**	**-**	**271,255**
At 31 December 2020	**187,792**	**-**	**-**	**187,792**

On 4 June 2019, the Group announced that it had entered into a legally binding agreement to acquire a 19.99% interest in NFCP on financial close of the proposed construction and operation of a 2MW biomass plant (the "Project") by North Fork Community Power LLC and this acquisition was completed on 31 December 2019. The consideration for the Company's investment is being solely satisfied by the supply of construction in progress currently held at EQTEC's Newry site, valued at US$2.5 million (€2,229,006) (see Note 21). The Group carried out a review of the recoverable amount of property held by the Power Generation and Technology Sales operating segments and by Head Office in 2019. The review led to recognition of a reversal of an impairment loss in 2019 of €94,985, which has been recognised in profit or loss. The net reversal of the impairment charge represents €300,000 of impairment charges reversed arising from the sale of equipment that had been previously impaired in full, less additional impairment charges of €205,015 recorded in 2019.

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	2020 €	2019 €
Leasehold buildings	187,792	271,255

The impairment losses have been shown separately in the consolidated statement of profit or loss.

COMPANY	OFFICE EQUIPMENT €	TOTAL €
Cost		
At 1 January 2019, at 31 December 2019 and at 31 December 2020	**1,233**	**1,233**
Accumulated depreciation		
At 1 January 2019	411	411
Charge for the financial year	616	616
Impairment	206	206
At 31 December 2019 and at 31 December 2020	**1,233**	**1,233**
Carrying amount		
At 1 January 2020	-	-
At 31 December 2020	-	-

20. INTANGIBLE ASSETS

	GOODWILL €
Cost	
As at 1 January 2019, 31 December 2019 and 31 December 2020	**16,710,497**
Impairment	
As at 1 January 2019	1,427,038
Impairment losses	-
As at 31 December 2019	**1,427,038**
Impairment losses	-
As at 31 December 2020	**1,427,038**
Carrying value	
As at 31 December 2019	**15,283,459**
As at 31 December 2020	**15,283,459**

Cash-generating units

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 Operating Segments. A total of 1 CGUs (2019: 1) have been identified and these are all associated with the Technology Sales Segment. The carrying value of the goodwill within the Technology Sales Segment is €15,283,459 (2019: €15,283,459).

In accordance with IAS 36 Impairment of Assets, the CGUs to which significant amounts of goodwill have been allocated are as follows:

	2020 €	2019 €
Eqtec Iberia SLU	**15,283,459**	**15,283,459**

For the purpose of impairment testing, the discount rates applied to this CGU to which significant amounts of goodwill have been allocated was 14% (2019: 14%) for the Eqtec Iberia CGU.

Annual test for impairment

Goodwill acquired through business combinations has been allocated to the above CGU for the purpose of impairment testing. Impairment of goodwill occurs when the carrying value of the CGU is greater than the present value of the cash that it is expected to generate (i.e. the recoverable amount). The Group reviews the carrying value of each CGU at least annually or more frequently if there is an indication that a CGU may be impaired.

The recoverable amount of each CGU is determined from value-in-use calculations. The forecasts used in these calculations are based on a financial plan approved by the Board of Directors, plus 5-year projections forecasted by management, and specifically excludes any future acquisition activity.

The value in use calculation represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each CGU. The real pre-tax discount rates used is 14% (2019: 14%). These rates are based on the Group's estimated weighted average cost of capital, adjusted for risk, and are consistent with external sources of information.

The cash flows and the key assumptions used in the value in use calculations are determined based on management's knowledge and expectation of future trends in the industry. Expected future cash flows are, however, inherently uncertain and are therefore liable to material change over time. The key assumptions used in the value in use calculations are subjective and include projected EBITDA margins, net cash flows, discount rates used and the duration of the discounted cash flow model. The estimate for future cash flows includes consideration of possible delays due to Covid-19.

The directors performed sensitivity analysis to account for changes in value in use calculation due to potential delays in commencement of the projects. The following are the sensitivities performed:

- 1% increase in discount rate
- 1 project delayed in 2021, 2 projects delayed in 2022, 3 projects delayed in 2023
- Zero percentage long term growth rate (year 6 onwards)
- 1 major anticipated project delayed until 2022

All of these sensitivity analysis resulted to no impairment. An impairment loss of €Nil (2019: €Nil) has been calculated for the financial year ended 31 December 2020.

21. FINANCIAL ASSETS

GROUP	2020 €	2019 €
Investment in associate undertakings		
At beginning of financial year	**2,229,006**	**-**
Reversal of impairment of investment in GG Eco Energy Limited	-	3,078
Disposal of investment in GG Eco Energy Limited	-	(3,078)
Investment in shares in North Fork Community Power LLC	-	2,229,006
Additional investment in North Fork Community Power LLC	1,150,619	-
At end of financial year	**3,379,625**	**2,229,006**
Investment in related undertaking		
At beginning of financial year	**-**	**-**
Investment in shares in Logik WTE Limited	2,570,888	-
At end of financial year	**2,570,888**	**-**
Total financial assets	**5,950,513**	**2,229,006**

Investment in associate

Details of the Group's interests in associated undertakings at 31 December 2020 is as follows:

NAME OF ASSOCIATED UNDERTAKING	COUNTRY OF INCORPORATION	SHAREHOLDING	PRINCIPAL ACTIVITY
North Fork Community Power LLC	United States of America	19.99%	Operator of biomass gasification power project

For the first five years of operation the share of profits from the associate is limited to 0.1999% rising to 19.99% thereafter. During the financial year, the Group advanced loans of €1,150,609 to North Fork Community Power LLC. These loans which are the subject of commercial negotiation were interest free with no fixed repayment terms at year end. Since the year end the shareholders of North Fork Community Power LLC, including the Company, have agreed that these loans are to be converted into 15% of the equity of North Fork Community Power LLC subject to the completion of formal legal documentation.

Previously, the investment was recorded in the books of a subsidiary; it has been transferred to EQTEC plc in the current financial year.

Summarised financial information in respect of the Group's interests in associated undertakings is as follows:

	2020 €	2019 €
Non-current assets	44,552	1,339,413
Current assets	17,686,647	17,993,577
Non-current liabilities	(16,213,836)	(18,721,867)
Current liabilities	(263,150)	(34,885)
Net assets/(liabilities)	**1,254,213**	**576,238**
Group's share of net assets of associated entities	**250,717**	**115,190**
	2020 €	**2019 €**
Total revenues	22,047	257,440
Total expenses	(16,506)	(495,346)
Total profit/(loss) for the financial year	**5,541**	**(237,906)**
Group's share of profits of associated entities	-	-

Investment in related undertaking

On 8 December 2020, it was announced that the Company's wholly owned subsidiary, Deeside WTV Limited (the Buyer), had signed a share purchase agreement with Logik Developments Limited to acquire full ownership of the Deeside Refuse Derived Fuel project through the acquisition of Logik WTE Limited, a company incorporated in the United Kingdom.

The key terms of the share purchase agreement (SPA) are as follows:

- Initial consideration of €2,570,888 (£2,310,000) of which a deposit amount of €333,882 (£300,000), from which the existing exclusivity payment of £100,000 will be deducted, is payable on the signing of the agreement and the balance of €2,237,006 (£2,010,000) payable on or before 12 months from 8 December 2020 (and which sum shall be netted off the existing debts of Logik WTE Limited);
- Additional deferred conditional consideration of €2,548,630 (£2,290,000) payable on the achievement of certain conditions precedent related to development milestones of the Project.
- The issue of a fixed dividend share in the Buyer to Logik Developments Limited, which gives Logik Developments Limited the right to 5% of distributable profits in Deeside WTV Limited. This share carries no voting rights in Deeside WTV Limited.
- An additional development premium or overage payment, subject to a maximum further amount of €6.01 million (£5.4 million), calculated in accordance with an agreed formula payable on the achievement of each of the following:
- Financial close on the funding for the Waste Reception & Anaerobic Digestion plant on the site for which planning and the necessary permits have been obtained ("Project Phase I").
- Financial close as defined on the funding for the Advanced Gasification plant on the site for which planning and the necessary permits have been obtained ("Project Phase II").

Contracts have been exchanged but completion as defined in the share purchase agreement had not occurred at the year-end, and as a result Logik WTE Limited is not considered a subsidiary of the Group at 31 December 2020.

In these financial statements the full initial consideration of €2,570,888 (£2,310,000) has been recognised as an investment in a related undertaking and the balance of consideration payable of €2,237,006 (£2,010,000) has been recognised as a payable in other payables (see Note 31).

Notes to the Financial Statements

COMPANY	2020 €	2019 €
Investment in subsidiary undertakings		
At beginning of financial year	**16,869,625**	**16,796,663**
Reclassification of inter-company balance as contribution to capital in Eqtec Iberia	1,000,000	1,500,000
Investment in other subsidiaries	5	-
Provision for impairment in investment in subsidiaries	-	(1,427,038)
At end of financial year	**17,869,630**	**16,869,625**
Loans to subsidiary undertakings		
At beginning of financial year	**571,304**	**571,304**
Provision for impairment of investment in subsidiaries	(571,304)	-
At end of financial year	**-**	**571,304**
Investment in associate undertakings		
At beginning of financial year	**-**	**-**
Transfer on investment in North Fork Community Power LLC from subsidiary	2,229,006	-
Additional investment in North Fork Community Power LLC	1,150,619	-
At end of financial year	**3,379,625**	**-**
Total	**21,249,255**	**17,440,929**

Details of EQTEC plc subsidiaries at 31 December 2020 are as follows:

NAME	COUNTRY OF INCORPORATION	SHAREHOLDING	PRINCIPAL ACTIVITY
Eqtec Iberia SLU	Spain	100%	Provision of technical engineering services
EQTEC Holdings Limited	Republic of Ireland	100%	Investment holding company
EQTEC Holdings (UK) Limited	United Kingdom	100%	Investment holding company
Haverton WTV Limited	United Kingdom	100%	Waste-to-energy developer
Deeside WTV Limited	United Kingdom	100%	Waste-to-energy developer
Souhport WTV Limited (formerly Humber Gate WTV Limited)	United Kingdom	100%	Waste-to-energy developer
Newry Biomass No. 1 Limited	Republic of Ireland	100%	Dormant company
React Biomass Limited	Republic of Ireland	100%	Dormant company
Reforce Energy Limited	Republic of Ireland	100%	Dormant company
Grass Door Limited	United Kingdom	100%	Dormant company
Newry Biomass Limited	Northern Ireland	50.2%	Dormant company
Enfield Biomass Limited	United Kingdom	100%	Dormant company
Moneygorm Wind Turbine Limited	Republic of Ireland	100%	Dormant company
Eqtec No. 1 Limited	Republic of Ireland	100%	Dormant company
Eqtec Strategic Project Finance Limited	United Kingdom	100%	Dormant company
Clay Cross Biomass Limited	United Kingdom	100%	Dormant company
Altilow Wind Turbine Limited	Republic of Ireland	100%	Dormant company

The shareholding in each company above is equivalent to the proportion of voting power held.

The registered office for all of the above companies is Building 1000, City Gate, Mahon, Cork, except for EQTEC Holdings (UK) Limited, Haverton WTV Limited, Deeside WTV Limited, Southport WTV Limited, Enfield Biomass Limited, Eqtec Strategic Project Finance Limited, Clay Cross Biomass Limited and Grass Door Limited, whose registered office is 3 Stucley Place, London NW1 8NS, England; Newry Biomass Limited, whose registered office is 68 Cloughanramer Road, Carnmeen, Newry, Co. Down BT34 1QG, Northern Ireland; and Eqtec Iberia SLU, whose registered office is Rosa Sensat nº 9-11 Planta 5ª, 08005 Barcelona, Spain.

The table below shows details of non-wholly owned subsidiaries of the Group that have material, non-controlling interests:

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS AND PLACE OF INCORPORATION	PROPORTION OF OWNERSHIP INTERESTS AND VOTING RIGHTS HELD BY NON-CO TROLLING INTERESTS		PROFIT/(LOSS) ALLOCATED TO NON-CONTROLLING INTERESTS FOR THE PERIOD		NON-CONTROLLING INTERESTS	
		2020 %	2019 %	2020 €	2019 €	2020 €	2019 €
Newry Biomass Limited	Northern Ireland	49.98	49.98	(5,080)	203,252	(2,328,986)	(2,414,398)
Individually immaterial subsidiaries with non-controlling interests		0.00	10.00	(2)	(22)	105,000	88,124
Total				**(5,082)**	**203,230**	**(2,223,986)**	**(2,326,274)**

EQTEC plc owns 50.02% of the voting rights in Newry Biomass Limited. One other company owns the remaining voting rights. Management has reassessed its involvement in Newry Biomass Limited in accordance with IFRS 10's revised control definition and guidance and has concluded that it has control of Newry Biomass Limited. The activities of Newry Biomass Limited are not considered material to the Group as a whole.

No dividends were paid to the non-controlling interests during the years ended 31 December 2020 and 2019.

22. OTHER FINANCIAL INVESTMENTS

	2020 €	2019 €
Bonds and Debentures	402,644	402,644
Less: Provision against investment in Bonds	(402,644)	(402,644)
Investment in Shares	1,832	1,832
Other investments	15,418	15,492
Less: Provisions against other investments	(17,250)	-
	-	**17,324**

23. DEFERRED TAXATION

A deferred tax asset has not been recognised at the consolidated statement of financial position date in respect of trading tax losses arising from the Irish and UK subsidiaries. Due to the history of past losses, the Group has not recognised any deferred tax asset in respect of tax losses to be carried forward which are approximately €21.5 million at 31 December 2020 (2019: €17.8 million).

24. DEVELOPMENT ASSETS

GROUP	2020 €	2019 €
Costs associated with project development	**503,653**	-
Loan receivable from project development undertakings	**482,537**	-

The Group invests capital in assisting in the development of waste to value projects which can deploy its technology and expertise and make a profit from the realisation of the development costs at the financial close, when project financing is in place so that the project undertaking can commence construction. Cost comprises direct materials and overheads that have been incurred in furthering the development of a project towards financial close.

For the financial year ended 31 December 2020, €Nil (2019: €Nil) of development assets was included in consolidated statement of profit or loss as an expense and €Nil (2019: €98,581) was impaired resulting from write down of development assets.

Included in loans receivable from project development undertakings is an amount of €200,000 which is receivable, along with accrued interest, 12 months from the date of drawdown. Interest is charged at 15% per annum. At 31 December 2020, the loan is valued at €213,297 (2019: Nil).

The remaining loans receivables were issued with no interest and no fixed repayment date.

COMPANY	2020 €	2019 €
Costs associated with project development	**9,275**	-
Loan receivable from project development undertakings	**243,598**	-

Included in loans receivable from project development undertakings is an amount of €200,000 which is receivable, along with accrued interest, 12 months from the date of drawdown. Interest is charged at 15% per annum. At 31 December 2020, the loan is valued at €213,297 (2019: Nil).

The remaining loans receivables were issued with no interest and no fixed repayment date.

25. TRADE AND OTHER RECEIVABLES

GROUP	2020 €	2019 €
Trade receivables gross	638,602	805,425
Allowance for credit losses	(475,687)	(456,671)
Trade receivables net	**162,915**	**348,754**
VAT receivable	172,405	18,226
Deferred consideration for the disposal of Pluckanes Windfarm (see Note 33)	120,424	-
Advances to related undertakings	60,000	60,000
Allowance for credit losses	(60,000)	(60,000)
Prepayments	133,403	66,773
Receipts from share fundraise	-	235,130
Corporation tax	6,841	4,560
Payments on account	120,798	-
Other receivables	177,745	55,144
	894,531	**728,587**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The following table shows an analysis of trade receivables split between past due and within terms accounts. Past due is when an account exceeds the agreed terms of trade, which are typically 60 days.

	2020 €	2019 €
Within terms	10,579	311,438
Past due more than one month but less than two months	149,925	9,813
Past due more than two months	478,098	484,174
	638,602	**805,425**

Included in the Group's trade receivables balance are debtors with carrying amount of €2,411 (2019: €27,503) which are past due at year end and for which the Group has not provided.

The Group does not hold any collateral over these balances. No interest is charged on overdue receivables. The quality of past due not impaired trade receivables is considered good. The carrying amount of trade receivables approximates to their fair values.

The Group's policy is to recognise an allowance for doubtful debts of 100% against all receivables over 120 days because historical experience has been that trade receivables that are past due beyond 120 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 60 days and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The review on these balances shows that all of the above amounts, with the exception of €4,754 (2019: €2,039) are considered recoverable.

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the end of the current reporting financial year. The concentration of the credit risk is limited due to the customer base being large and unrelated, and the fact that no one customer holds balances that exceeds 10% of the gross assets of the Group. The maximum exposure risk to trade and other receivables at the reporting date by geographic region, ignoring provisions, is as follows:

	2020 €	2019 €
Ireland	30,000	30,000
Spain	608,602	475,425
United Kingdom	-	300,000
	638,602	**805,425**

The aged analysis of other receivables is within terms.

The closing balance of the trade receivables loss allowance as at 31 December 2020 reconciles with the trade receivables loss allowance opening balance as follows:

	€
Opening loss allowance as at 1 January 2019	**306,292**
Loss allowance recognised during the financial year	150,379
Loss allowance as at 31 December 2019	**456,671**
Loss allowance recognised during the financial year	19,016
Loss allowance as at 31 December 2020	**475,687**

The closing balance of the advances to related undertakings loss allowance as at 31 December 2020 reconciles with the advances to related undertakings loss allowance opening balance as follows:

	€
Opening loss allowance as at 1 January 2019	**-**
Loss allowance recognised during the financial year	60,000
Loss allowance as at 31 December 2019	**60,000**
Loss allowance recognised during the financial year	-
Loss allowance as at 31 December 2020	**60,000**

There is no concentration of credit risk with respect to receivables as disclosed in Note 5 under credit risk.

COMPANY	2020 €	2019 €
Amounts due from subsidiary undertakings	2,567,624	1,699,272
Allowance for impairment of balances	-	(665,771)
	2,567,624	**1,033,501**
Trade receivables	30,000	30,000
Allowance for credit losses	(30,000)	(30,000)
Advances to related undertakings	60,000	60,000
Allowance for credit losses	(60,000)	(60,000)
Prepayments	124,582	57,165
Receipts from share fundraise	-	235,130
Corporation Tax	96	96
VAT Receivable	8,429	5,498
Other receivables	2,760	2,614
	2,703,491	**1,334,004**

The concentration of credit risk in the individual financial statements of EQTEC plc relates to amounts due from subsidiary undertakings. The directors have reviewed these balances in the light of the impairment review carried out on the investments by EQTEC plc in its subsidiaries.

The directors considered the future cash flows arising from subsidiaries and are satisfied that the appropriate impairment has been applied to these balances. All amounts are short-term. The net carrying values of amounts due from subsidiary undertakings, trade and loans receivables are considered a reasonable approximation of their fair values.

The closing balance of the trade receivables loss allowance as at 31 December 2020 reconciles with the trade receivables loss allowance opening balance as follows:

	€
Opening loss allowance as at 1 January 2019	-
Loss allowance recognised during the financial year	30,000
Loss allowance as at 31 December 2019	**30,000**
Loss allowance recognised during the financial year	-
Loss allowance as at 31 December 2020	**30,000**

The closing balance of the advances to related undertakings loss allowance as at 31 December 2020 reconciles with the advances to related undertakings loss allowance opening balance as follows:

	€
Opening loss allowance as at 1 January 2019	-
Loss allowance recognised during the financial year	60,000
Loss allowance as at 31 December 2019	**60,000**
Loss allowance recognised during the financial year	-
Loss allowance as at 31 December 2020	**60,000**

26. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2020 €	2019 €
Group		
Cash and bank balances	6,394,791	482,392
Bank overdrafts (Note 29)	(124,210)	-
Sub-total	**6,270,581**	**482,392**
Cash and cash equivalents included in a disposal group held for resale (Note 32)	-	125,802
	6,270,581	**608,194**
Company		
Cash and bank balances	6,111,864	448,619
Bank overdrafts (Note 29)	-	-
	6,111,864	**448,619**

The carrying amount of the cash and cash equivalents is considered a reasonable approximation of its fair value.

27. EQUITY

Share Capital

AT 31 DECEMBER 2019	AUTHORISED NUMBER	ALLOTTED AND CALLED UP NUMBER	AUTHORISED €	ALLOTTED AND CALLED UP €
Ordinary shares of €0.001 each	12,561,091,094	3,939,376,266	12,561,091	3,939,376
Deferred ordinary shares of €0.40 each	200,000,000	22,370,042	80,000,000	8,948,017
Deferred "B" Ordinary Shares of €0.099 each	75,140,494	75,140,494	7,438,909	7,438,909
Deferred convertible "A" ordinary shares of €0.01 each	10,000,000,000	99,117,952	100,000,000	991,180
			200,000,000	**21,317,482**
AT 31 DECEMBER 2020	**AUTHORISED NUMBER**	**ALLOTTED AND CALLED UP NUMBER**	**AUTHORISED €**	**ALLOTTED AND CALLED UP €**
Ordinary shares of €0.001 each	12,561,091,094	6,977,439,598	12,561,091	6,977,439
Deferred ordinary shares of €0.40 each	200,000,000	22,370,042	80,000,000	8,948,017
Deferred "B" Ordinary Shares of €0.099 each	75,140,494	75,140,494	7,438,909	7,438,909
Deferred convertible "A" ordinary shares of €0.01 each	10,000,000,000	99,117,952	100,000,000	991,180
			200,000,000	**24,355,545**

The holders of the ordinary shares are entitled to participate in the profits or assets of the Company (by way of payment of any dividends, on a winding up or otherwise) and are entitled to receive notice, attend, speak and vote at general meetings of the Company. Each ordinary share equates to one vote at meetings of the Company.

The holders of the deferred convertible "A" ordinary shares are entitled to participate pari passu with ordinary shareholders in the profits or assets of the Company on a winding-up, up to an amount equal to the par value paid in respect of such deferred convertible "A" ordinary shares but are not entitled to participate in the profits or assets of the Company (by way of payment of any dividends or otherwise). The holders of the deferred convertible "A" ordinary shares are not entitled to receive notice, attend, speak and vote at general meetings of the Company.

The holders of the deferred ordinary shares and the deferred "B" ordinary shares are not entitled to participate in the profits or assets of the Company (by way of payment of any dividends, on a winding up or otherwise) and are not entitled to receive notice, attend, speak and vote at general meetings of the Company.

Share Premium

Proceeds received in excess of the nominal value of the shares issued during the financial year have been included in share premium, less registration and other regulatory fees. Costs of new shares charged to equity amounted to €639,931 (2019: €270,255).

Company Share Premium

The share premium included in the consolidated and company statement of financial position is different by €18,934,080 due to the reverse acquisition of the Group which occurred on 13 October 2008. The reverse acquisition resulted to a reverse acquisition reserve which has been netted off against the share premium in the consolidated statement of financial position.

Movements in the financial year to 31 December 2020

AMOUNT OF SHARES	2020	2019
Ordinary Shares of €0.001 each issued and fully paid		
- Beginning of the period	3,939,376,266	1,804,744,243
- Issued on exercise of warrants	436,400,000	163,027,158
- Issued in lieu of borrowings and settlement of payables	379,441,112	977,532,138
- Share issue placement	2,222,222,220	994,072,727
Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the financial year	**6,977,439,598**	**3,939,376,266**

Share Warrants

As at 31 December 2020 the Company had 799,663,485 warrants outstanding (2019: 664,636,833).

NO OF WARRANTS	EXERCISE PRICE (PENCE)	FINAL EXERCISE DATE
138,000,000	0.25	11/12/2021
1,533,505	5.53	05/02/2022
38,450,000	10.0	15/07/2022
590,906,437	0.25	31/03/2023
30,773,543	0.33	28/06/2024
799,663,485		

Details of warrants granted

DETAILS OF WARRANT GRANTED	PLACING WARRANTS		EMPLOYEE WARRANTS		EMPLOYEE OPTIONS		ADVISOR WARRANTS		LENDER WARRANTS	
	NO.	EXERCISE PRICE (PENCE)	NO.	EXERCISE PRICE (PENCE)	NO.	EXERCISE PRICE (PENCE)	NO.	EXERCISE PRICE (PENCE)	NO.	EXERCISE PRICE (PENCE)
At 1 January 2020	383,400,000	0.25	-	-	-	-	30,773,543	0.33	114,646,542	1.3
Issued/vested in year	-	-	590,906,437	0.25	67,304,542	0.65	-		191,000,000	0.375
Cancelled or expired in year	-	-	-	-	-	-	-		114,646,542	1.3
Exercised in year	245,400,000	0.25	-	-	-	-	-		191,000,000	0.375
At 31 December 2020	138,000,000	0.25	590,906,437	0.25	67,304,542	0.65	30,773,543	0.33		-
Exercisable at 31 December 2020	138,000,000	0.25	590,906,437	0.25	67,304,542	0.65	30,773,543	0.33		-
Average life remaining at 31 December 2020	0.91 years		2.25 years		3.58 years		3.5 years			

DETAILS OF WARRANT GRANTED	ADVISOR WARRANTS		ADVISOR WARRANTS	
	NO.	EXERCISE PRICE (PENCE)	NO.	EXERCISE PRICE (PENCE)
At 1 January 2020 and 31 December 2020	1,533,505	5.53	38,450,000	10.0
Exercisable at 31 December 2020	1,533,505	5.53	38,450,000	10.0
Average life remaining at 31 December 2020	1.08 years		1.54 years	

Placing warrants totalling 126,000,000 were exercised post year end leaving a balance of 12,000,000 currently exercisable. Advisor warrants of 30,773,543 were also totally exercised post year end leaving a NIL balance.

The warrants issued during the financial year related to an employee incentive program and a lender restructuring. The warrants and the options that vested have been charged to the statement of profit and loss as share-based payments. The fair value of the warrants were determined using the Black Scholes pricing model.

The significant inputs to the model were as follows:

	EMPLOYEE WARRANTS	SHARE OPTIONS	LENDER WARRANTS
Grant/vesting date	31 March 2020	1 July 2020	1 June 2020
Share price at date of vesting	0.18p	0.73p	0.34p
Exercise price per share	0.25p	0.65p	0.375p
No of warrants/options granted/vested	590,906,437	67,304,542	191,000,000
Risk free rate	1.1%	1.1%	1.1%
Annualised volatility	133%	130%	128%
Life of warrant/option	3 years	4 years	3 years
Calculated fair value of share warrant/option	0.128	0.60	0.246

The Group recognised total expenses of €1,819,658 and €Nil related to equity-settled share-based payment transactions in 2020 and 2019 respectively (see Notes 13 and 14).

28. NON-CONTROLLING INTERESTS

	2020 €	2019 €
Balance at beginning of financial year	(2,326,274)	(2,552,863)
Share of (loss)/profit for the financial year	(5,082)	203,230
Release of non-controlling interest	15,978	-
Unrealised foreign exchange gains	91,392	23,359
Balance at end of financial year	**(2,223,986)**	**(2,326,274)**

During the financial year, the non-controlling interest of an immaterial subsidiary released its non-controlling interest back to the Group.

29. BORROWINGS

GROUP	2020 €	2019 €
Current liabilities at amortised cost		
Bank overdrafts	124,210	-
Bank borrowings	-	125,224
Convertible secured loan note (CSLN)	-	1,008,017
Other loans	-	5,691
Convertible secured loan facility (CSLF)	896,641	1,418,028
	1,020,851	**2,556,960**
Non-current liabilities at amortised cost		
Bank borrowings	-	188,729
	-	**188,729**

COMPANY	2020 €	2019 €
Current liabilities		
Convertible secured loan (CSLN)	-	1,008,017
Convertible secured loan facility (CSLF)	896,641	1,418,028
	896,641	**2,426,045**
Non-current liabilities	**-**	**-**

Borrowings at amortised cost

The secured loan facility (SLF) was secured through an intercreditor deed by mortgage debentures, cross guarantees and share pledges over the Group. The interest rate on the loan is fixed at 10% (2019: 12.5%) and the loan matures on 30 June 2021. All amounts outstanding under the loan are to be repaid as follows:

- US$555,000 (plus accrued interest and cash redemption fee of 8 per cent on the sum due for payment) to be repaid on 29 January 2021; and
- The remaining balance, plus accrued interest and cash redemption fee of 8 per cent on the sum due for payment, to be repaid on 30 June 2021.a single payment of principal and accrued interest on 30 June 2021.

The face value of the secured loan facility and accrued interest at 31 December 2020 was €908,699 (31 December 2019: €1,501,825).

The convertible secured loan note (CSLN) was at a fixed rate of 10% paid in arrears. The principal, together with any accrued interest and reprofiling fee, was repaid through the issue of 235,991,940 shares in the Company at an agreed price of 0.45 pence per share in July 2020.

On 4 January 2021 the Company agreed an unsecured term loan facility of €1.39 million (£1.25 million) (ULF) with Altair Group Investment Limited a substantial shareholder in the Company. The ULF is for a term of 12 months and the principal and any accrued interest are repayable in full on 31 December 2021 but the Company can repay the ULF early without penalty. The ULF is unsecured and has a coupon of 6% per annum, payable quarterly in arrears. The ULF was used to pay all sums due under the SLF releasing and discharging any secured assets and obligations under the SLF.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	NCSLF €	CSLN €	SLF €	OTHER LOANS €	BANK BORROW-INGS €	BANK OVERDRAFT €	LEASE LIABILITIES €	TOTAL €
Balance at 1 January 2019	702,319	2,216,604	2,526,327	5,691	520,989	2,563	-	5,974,493
Adoption of IFRS 16	-	-	-	-	-	-	354,718	354,718
Revised balance at 1 January 2019	**702,319**	**2,216,604**	**2,526,327**	**5,691**	**520,989**	**2,563**	**354,718**	**6,329,211**
Financing Cash Flows								
Proceeds from borrowings	226,212	75,372	-	-	-	-	-	301,584
Repayment of borrowings	-	-	(732,794)	-	(206,900)	-	(80,284)	(1,019,978)
Total from financing cash flows	**226,212**	**75,372**	**(732,794)**	**-**	**(206,900)**	**-**	**(80,284)**	**(718,394)**
Non-cash changes								
Reclassification	(835,301)	835,301	-	-	-	-	-	-
Conversion into equity	(156,084)	(2,406,245)	(1,027,431)	-	-	-	-	(3,589,760)
Effect of changes in foreign exchange rates	17,119	72,744	53,909	-	-	-	-	143,772
Amortisation oloan issue costs	45,735	42,113	248,962	-	-	-	-	336,810
Deferral fee levied	-	-	92,374	-	-	-	-	92,374
Redemption fee levied	-	114,583	35,870	-	-	-	-	150,453
Change in bank overdraft	-	-	-	-	-	(3,486)	-	(3,486)
Other changes	-	57,545	220,811	-	(136)	923	-	279,143
Total non-cash changes	**(928,531)**	**(1,283,959)**	**(375,505)**	**-**	**(136)**	**(2,563)**	**-**	**(2,590,694)**
Balance at 31 December 2020	**-**	**1,008,017**	**1,418,028**	**5,691**	**313,953**	**-**	**274,434**	**3,020,123**

Other changes include interest accruals and payments.

	CSLN €	CSLF €	OTHER LOANS €	BANK BORROWINGS €	BANK OVERDRAFT €	LEASE LIABILITIES €	TOTAL €
Balance at 1 January 2020	**1,008,017**	**1,418,028**	**5,691**	**313,953**	**-**	**274,434**	**3,020,123**
Financing Cash Flows							
Proceeds from borrowings	-	-	-	107,000	-	-	107,000
Repayment of borrowings	-	(852,567)	-	(420,953)	-	(89,828)	(1,363,348)
Loan issue costs	(11,489)	(19,455)	-	-	-	-	(30,944)
Total from financing cash flows	**(11,489)**	**(872,022)**	**-**	**(313,953)**	**-**	**(87,828)**	**(1,287,292)**
Non-cash changes							
Conversion into equity	(1,165,809)	-	-	-	-	-	(1,165,809)
Effect of changes in foreign exchange rates	(72,470)	(82,502)	-	-	-	-	(154,972)
Amortisation of loan issue cost	50,022	89,921	-	-	-	-	139,943
Reprofiling fee levied	104,989	157,341	-	-	-	-	262,330
Redemption fee levied	-	50,149	-	-	-	-	50,149
Change in bank overdraft	-	-	-	-	124,210	-	124,210
Other changes	86,740	135,726	(5,691)	-	-	7,101	223,876
Total non-cash changes	**(996,528)**	**350,635**	**(5,691)**	**-**	**124,210**	**7,101**	**(520,273)**
Balance at 31 December 2020	**-**	**896,641**	**-**	**-**	**124,210**	**191,707**	**1,212,558**

Other changes include interest accruals and payments.

30. LEASES

Lease liabilities are presented in the statement of financial position as follows:

GROUP	2020 €	2019 €
Current	85,242	82,726
Non-current	106,465	191,708
	191,707	**274,434**

The Group has a lease for its office in Iberia, Spain. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 19).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the Group must keep those properties in a good state of repair and return the premises in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the statement of financial position:

RIGHT-OF-USE ASSET	NO. OF RIGHT-OF-USE ASSETS LEASED	RANGE OF REMAINING TERM	AVERAGE REMAINING LEASE TERM	NO. OF LEASES WITH EXTENSION OPTIONS	NO. OF LEASES WITH OPTIONS TO PURCHASE	NO. OF LEASES WITH VARIABLE PAYMENTS LINKED TO AN INDEX	NO. OF LEASES WITH TERMINATION OPTIONS
Leasehold Building	1	2.25 years	2.25 years	0	0	0	0

The lease liabilities are secured by the related underlying asset.
Further minimum lease payments at 31 December 2020 were as follows:

Minimum lease payments due

	WITHIN 1 YEAR €	1-2 YEARS €	2-3 YEARS €	3-4 YEARS €	4-5 YEARS €	AFTER 5 YEARS €	TOTAL €
2020							
Lease payments	89,828	89,828	18,714	-	-	-	198,370
Finance charges	(4,586)	(1,993)	(84)	-	-	-	(6,663)
Net Present Values	***85,242***	***87,835***	***18,630***	-	-	-	***191,707***
2019							
Lease payments	89,828	89,828	89,828	18,714	-	-	288,198
Finance charges	(7,102)	(4,585)	(1,993)	(84)	-	-	(13,764)
Net Present Values	***82,726***	***85,243***	***87,835***	***18,630***	-	-	***274,434***

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense related to payments not included in the measurement of the lease liability is as follows:

	2020 €	2019 €
Short term leases	37,406	20,216
Leases of low-value assets	14,594	10,863
	52,000	**31,079**

At 31 December 2020, the Group was committed to short-term leases and the total commitment at that date was €53,287 (2019: €18,060).

Total cash outflow for lease liabilities for the financial year ended 31 December 2020 was €87,727 (2019: €80,284).

Additional information on the right-to-use assets by class of assets is as follows:

	CARRYING AMOUNT (NOTE 18) €	DEPRECIATION EXPENSE €	IMPAIRMENT €
Leasehold Buildings	187,792	83,463	-
Total Right-of-use assets	187,792	83,463	-

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

31. TRADE AND OTHER PAYABLES

GROUP	2020 €	2019 €
VAT payable	-	25,214
Trade payables	146,091	196,221
Other payables	2,243,257	69,075
Accruals	716,473	517,139
PAYE & social welfare	78,158	68,422
	3,183,979	**876,071**

The carrying amount of trade and other payables approximates fair value. All trade and other payables fall due within one year.

Included in other payables is an amount of €2,237,006 (£2,010,000) relating to consideration payable under the share purchase contract to acquire Logik WTE Limited (see Note 21).

Trade and other creditors are payable at various dates in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

COMPANY	2020 €	2019 €
Trade payables	91,390	17,120
Other creditors	1,250	1,250
Amounts payable to subsidiary undertakings	3	17,880
PAYE & social welfare	12,022	13,095
Accruals	642,908	399,524
	747,573	**448,869**

The carrying amount of trade and other payables approximates its fair value. All trade and other payables fall due within one year.

Trade and other creditors are payable at various dates in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

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

In 2017, the Group made the decision to sell 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. 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 consolidated statement of profit or loss.

On 24 August 2020, the Group announced that it had entered into a sales purchase agreement to dispose of its shares in Pluckanes Windfarm Limited on a debt free/cash free basis. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 33.

The combined results of the discontinued operations included in the loss for the financial year are set out below.

PROFIT FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATIONS	PERIOD ENDED 24 AUGUST 2020 €	YEAR ENDED 31 DECEMBER 2019 €
Revenue (Note 8)	135,644	193,614
Cost of sales (Note 9)	(663)	(955)
	134,981	**192,659**
Administrative Expenses (Note 10)	(91,233)	(139,836)
Operating Profit	**43,748**	**52,823**
Finance Costs (Note 14)	(18,381)	(31,145)
Finance Income (Note 14)	3	6
Profit from discontinued operations before tax	**25,370**	**21,684**
Tax Expenses	-	-
Profit for the financial period from discontinued operations (attributable to owners of the Company)	**25,370**	**21,684**
Profit after tax on disposal of subsidiary (Note 33)	45,714	-
Profit for the year from discontinued operations	**71,084**	**21,684**

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

CASH FLOWS FROM DISCONTINUED OPERATIONS	PERIOD ENDED 24 AUGUST 2020 €	YEAR ENDED 31 DECEMBER 2019 €
Operating activities	(47,741)	110,184
Investing activities	(19,997)	6
Financing activities	(63,196)	(111,106)
Net cash flows used in discontinued operations	**(130,934)**	**(916)**

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

ASSETS CLASSIFIED AS HELD FOR RESALE	2020 €	2019 €
Non-current assets:		
Property, plant and equipment	-	1,017,613
Current assets:		
Trade and other receivables	-	54,659
Cash and cash equivalents (Note 26)	-	125,802
Assets classified as held for resale	**-**	**1,198,074**
LIABILITIES CLASSIFIED AS HELD FOR RESALE	**2020 €**	**2019 €**
Current liabilities:		
Borrowings	-	821,634
Trade and other payables	-	25,321
Liabilities classified as held for resale	**-**	**846,955**

33. DISPOSAL OF SUBSIDIARY

As referred to in Note 32, on 24 August 2020, the Group disposed of its interest in Pluckanes Windfarm Limited.

The net assets of Pluckanes Windfarm Limited at the date of disposal were as follows:

	24 AUGUST 2020 €
Property, Plant & Equipment	969,035
Financial non-current assets	20,000
Trade and other receivables	22,622
Trade and other payables	(8,740)
Bank overdraft	(5,132)
Bank borrowings	(778,765)
Net assets disposed of	**219,020**
Selling expenses	65,261
Gain on disposal	45,714
Total consideration	**329,995**
Satisfied by:	
Cash and cash equivalents	213,503
Fair value of deferred consideration	116,492
	329,995
Net cash inflow arising on disposal	
Consideration received in cash and cash equivalents	213,503
Add: negative cash equivalents disposed of	5,132
	218,635

There was no disposals of subsidiaries made in 2019.

Per the sales purchase agreement, €170,000 is being deferred and held in escrow subject to the following conditions:

(i) the Buyer obtaining a planning extension to Pluckanes Windfarm Limited's existing planning permission on its property, in order to extend the term of the wind turbine activity, within two years of the date of the requisite planning application which must be submitted by the Buyer within three months of completion of the sale;

(ii) the Group procuring the transfer of the substation between the landlord and ESB Networks; and

(iii) the Group procuring a letter from the relevant local authority confirming compliance with a certain customary condition of the existing planning permission.

If all three conditions are satisfied on or before the first anniversary of the date of planning application (as set out in condition (i) above) then the total deferred consideration of €170,000 shall become immediately due and payable to the Group. The deferred consideration will reduce to:

(a) €159,000 if the planning extension is obtained between 12 and 18 months from the date of planning application; and

(b) €152,000 if the planning extension is obtained between 18 and 24 months from the date of planning application.

In the event that the conditions listed above are not obtained within 24 months from the date of planning application, the entire deferred consideration element will fall away.

The fair value of the deferred consideration was calculated as €116,492 on the date of disposal. At 31 December 2020, the fair value of the deferred consideration was valued at €120,424 and is included in trade and other receivables (see Note 25).

The impact of Pluckanes Windfarm Limited on the Group's results in the current and prior years is disclosed in Note 32.

The gain on disposal was included in the profit for the year from discontinued operations (see Note 32).

34. RELATED PARTY TRANSACTIONS

The Group's related parties include Altair Group Investment Limited ("Altair"), who at 31 December 2020 held 19.66% (2019: 28.87%) of the shares in the Company. Other Group related parties include the associate companies and key management.

Transactions with Altair

During the financial year ended 31 December 2020, Altair advanced €Nil (2019: €301,584) to the Group by way of borrowings. During the financial year ended 31 December 2020, the Group repaid borrowings of €1,175,839 (2019: €2,562,329) by way of conversion into equity. Interest payable to Altair for the financial year ended 31 December 2020 amounted to €170,084 (2019: €397,356); this includes a redemption fee of €114,583 (2019: €114,583) with respect to a redemption fee for the early settlement of the loan and a reprofiling fee of €106,321 (2019: €Nil) with respect to the reprofiling of the debt.

Included in borrowings, net of amortisation costs, at 31 December 2020 is an amount of €Nil (2019: €1,070,915) due to Altair from the Group.

Transactions with key management personnel

Key management of the Group are the members of EQTEC plc's board of directors. Key management personnel remuneration includes the following:

DIRECTORS	FEES/SALARIES /EXPENSES €'000s	TERMINATION €'000s	OTHER €'000s	PENSION €'000s	2020 €'000s	2019 €'000s
I Pearson	68	-	-	-	68	68
O Leiva (Resigned 28/6/2020)	-	-	-	-	-	12
T Quigley	41	-	-	-	41	42
I Price (Resigned 16/9/19)	-	-	-	-	-	176
G Madden	250	-	24	-	274	262
Y Alemán (Appointed 28/8/19)	241	-	-	-	241	92
D Palumbo (Appointed 28/8/19)	281	-	-	-	281	85
J Vander Linden (Appointed 1/12/20)	14	-	-	-	14	-
Total	**895**	**-**	**24**	**-**	**919**	**737**

At 31 December 2020, directors' remuneration unpaid (including past directors) amounted to €260,875 (31 December 2019: €185,347). As announced by the Company on 9 July 2020, these unpaid remuneration is to be applied (net of any required tax deductions) in subscribing for new ordinary shares of €0.001 each in the capital of the Company at a price of 0.45 pence per share. These shares were issued on 1 February 2021.

Prior to becoming a director, Mr D Palumbo provided advisory services to the Company. The cost of these services amounted to €Nil (2019: €103,201) for the financial year ended 31 December 2020. In addition, a company controlled by Mr. Palumbo provided office space to the Group in London. The cost of these services amounted to €21,843 (2019: €Nil). At 31 December 2020, an amount of €3,172 is included in trade and other payable with respect to payments due to this company (2019: €Nil).

Prior to becoming a director, Mr J Vander Linden provided advisory services to the Company. The cost of these services amounted to €144,148 (2019: €Nil) for the financial year ended 31 December 2020. At 31 December 2020, an amount of €63,883 is included in trade and other payable with respect to payments due to this company (2019: €Nil). This balance was settled through the issue of new ordinary shares of €0.001 each in the capital of the Company on 1 February 2021.

The following directors also received the benefit of share-based payments during the year through the granting and vesting of warrants and options (Note 27).

DIRECTORS	SHARE BASED PAYMENTS €'000s
T Quigley	28
G Madden	673
Y Alemán	142
D Palumbo	284
Total	**1,127**

Details of each director's interests in shares and equity related instruments that were in office at the year-end are shown in the Directors' Report.

Transactions with associate undertakings

During the financial year ended 31 December 2020, sales of €1,980,000 were made to associate undertakings (2019: €21,438).

During the financial year ended 31 December 2020, the Group advanced $37,040 to its associated undertaking. Included in trade and other receivables at 31 December 2020 is an amount of €30,201 with respect to this advance (2019: €Nil).

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

35. EVENTS AFTER THE BALANCE SHEET DATE

New Unsecured Loan Facility and Full Redemption of Secured Loan Facility

On 4 January 2021, the Group announced that it had agreed an unsecured term loan facility of £1.25 million with Altair Group Investment Limited, a substantial shareholder in the Company. The facility is for a term of 12 months and the principal and any accrued interest are repayable in full on 31 December 2021 but the company can repay the loan early without penalty. The facility is unsecured and has a coupon of 6% per annum, payable quarterly in arrears. The facility was used to pay all sums due under the secured loan facility in full and final settlement of amounts owed to them, releasing and discharging any secured assets and obligations under any previous agreements with the lenders.

Exercise of warrants

On 5 January 2021, the Group announced that warrants over 12,000,000 New Ordinary Shares at a price of 0.25 pence per share and warrants over 30,773,543 New Ordinary Shares at a price of 0.33 pence per share had been exercised. The aggregate gross proceeds of these exercises received by the Company amount to £131,553.

Directors' Dealings and Issue of equity to Strategic Suppliers

On 1 February 2021, the Group announced that it had issued, in aggregate, 37,980,000 New Ordinary Shares to certain Directors to satisfy the unpaid remuneration (net of tax where relevant), owed to them for the six months ended 31 December 2020 under the 2020 Director Remuneration Arrangements announced previously on 9 July 2020 at a price of 0.45 pence per share.

The Group also announced that it has issued, in aggregate, 28,446,341 New Ordinary Shares to certain strategic service providers who have provided business development and advisory services to the Group, and who previously agreed to receive such shares in satisfaction of fees due to them, such number of shares being determined by reference to the share price at certain points in time. The issue of these shares had reduced the Group's creditors by £136,500. Included in the shares issued are 12,844,444 New Ordinary Shares issued to Morichella Associates Limited, a company owned and controlled by one of the Executive Directors of the Company.

Exercise of warrants

On 1 March 2021, the Group announced that it had received a Notice to exercise warrants over 114,000,000 New Ordinary Shares at a price of 0.25 pence per share from Altair Group Investment Limited. The aggregate gross proceeds of the exercise receivable by the Company amounted to £285,000. These warrants were issued as part of the equity fundraise completed by the Company on 2 December 2019 and represent a full exercise of the remaining warrants issued to Altair as a result of their equity subscription at that time. The proceeds from the exercise of the warrants was used to repay a portion of the £1,250,000 loan drawn down by the Company from Altair, announced on 4 January 2021. Following the repayment of £285,000 the loan balance together with accrued interest amounted to £976,096 on 1 March 2021.

No other adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

36. NON-CASH TRANSACTIONS

During the financial year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

	2020 €	2019 €
Issue of shares in settlement of borrowings and other liabilities	1,915,693	3,623,207

37. COMPANY PROFIT AND LOSS

As a consolidated group income statement is published, a separate income statement for the parent company is omitted from the Group's financial statements by virtue of section 304(2) of the Companies Act, 2014. The Company's loss for the financial year ended 31 December 2020 was €3,270,895 (2019: €4,674,802).

38. CONTINGENT LIABILITIES

On 13 July 2020, the Group announced that lawyers acting for Aries Clean Energy LLC of Franklin, Tennessee, USA ("Aries") filed a complaint in a Californian court on 9 July 2020 against the Company and others, alleging patent infringement through the use of the Group's Advanced Gasification Technology in the North Fork Community Power plant in California USA.

On 22 March 2021 the Company announced the Aries had withdrawn its patent infringement complaint. The joint stipulation that the action be voluntarily dismissed with prejudice was filed in the United States District Court Eastern District of California on 19 March 2021 and operates as a final determination on the merits of the case, forbidding Aries from filing another lawsuit on the same grounds.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 16 April 2021.

INDEPENDENT AUDITOR'S REPORT

EQTEC biomass waste-to-energy plant, Movialsa, Ciudad Real, Spain

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of EQTEC plc ("the Company") and its subsidiaries (''the Group''), which comprise the Consolidated statement of profit or loss, Consolidated statement of other comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company statement of financial position, Company statement of changes in equity, Company statement of cash flows for the financial year ended 31 December 2020 and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the consolidated financial statements give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Group as at 31 December 2020 and of the Group's financial performance and cash flows for the financial year then ended;
- the Company statement of financial position gives a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Group and Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue as a going concern basis of accounting included:

- Evaluating management's future cash flow forecasts, the process by which they were prepared, and assessed the calculations are mathematically accurate.
- Challenging the underlying key assumptions such as expected cash inflow from technology sales and cash outflow from project costs and other operating expenses.
- Making inquiries with management and reviewing the board minutes and available written communication with commercial partners in order to understand the future plans and to identify potential contradictory information.
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of 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 therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements as discussed in the key audit matters section. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

How we tailored the audit scope

The Group has two operating segments: the power generation segment and the technology sales segment. We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group and Company, taking into account the nature of the Group and Company's business and the industry in which it operates. We performed an audit of the complete financial information of all the components of the Group. Components' represent business units across the Group considered for audit scoping purposes.

In establishing the overall approach to our audit, we assessed the risk of material misstatement at a Group level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at EQTEC plc.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Group and Company and their environment, the history of misstatements, the complexity of the Group and Company and the reliability of their control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the Group and Company as follows: 1% of total assets (excluding goodwill for the Group) for the financial year ended 31 December 2020. We chose total assets as the benchmark as we considered this to be the main focus of the users of the financial statements based on nature of the Group and Company's activities with continuing funding rounds and business expansion.

We have set performance materiality for the Group and Company at 60% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the Group and Company and their control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Impairment of goodwill

The Group had significant amount of goodwill arising from the acquisition of Eqtec Iberia SLU in 2017 (see Note 20). As at 31 December 2020, goodwill amounted to €15,283,459 which was 51.46% of the Group's total assets. Eqtec Iberia SLU incurred losses amounting to €1,077,576 in 2020 which we have identified as an indicator of impairment. We obtained management's discounted cash flow projections in support of the recoverability of this goodwill.

The preparation of the consolidated financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amount of income and expenses during the reporting period. Management bases its estimates and judgements on future cash flows and on other factors that are believed to be reasonable under the circumstances. Actual results may differ from the estimates under different assumptions or conditions.

Due to the subjective estimates inherent in this calculation, this was a key judgmental area that our audit concentrated on.

Our response

For this risk, our audit procedures included the following testing:

- Evaluated, challenged management's future cash flow forecasts and the process by which they were drawn up and tested the integrity and mathematical accuracy of the impairment model;
- Tested the significant assumptions and estimates used in preparing the cash flows which includes revenue forecasts, gross profit rates and discount rates and reviewed reasonableness of growth rates used for the projection and compared them against proven track record of performance;
- Tested the adequacy of discount rate used and evaluated the model in determining the value in use of the cash generating unit;
- Performed sensitivity analysis to determine reasonableness of the input variables used in the impairment model; and
- Considered the adequacy of the Group's disclosures relating to goodwill and the annual impairment review with the requirements included in the consolidated financial statements in accordance with IFRS as adopted by European Union.

The value of the goodwill is based on the best estimates of the Directors. As part of our audit, we have gained sufficient audit evidence supporting the assumptions of the model. However, in view of uncertainty in relation to the future events that affects the timing of revenue cash flows and significance of this balance to the consolidated financial statements, we consider that it should be drawn to your attention. There is a risk that assumptions used by the directors specifically on certain projects will be delayed which may affect the future cash flows of the Group. The consolidated financial statements do not reflect the adjustments that might arise should the assumptions used in the impairment model change.

Other than as described above, our planned audit procedures were completed without material exception.

Other information

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Chairman's Statement, Chief Executive's Report, Corporate Governance Statement and Director's Report. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine 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, management is responsible for assessing the Group and 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 management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on consolidated financial statements, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the direction, supervision and performance of the Group audit, and the Group auditor remains solely responsible for the audit opinion.

The auditor also provides those charged with governance with a statement that they have complied with relevant ethical requirements regarding independence, including the Ethical Standards for Auditors (Ireland), and communicates with them all relationships and other matters that may reasonably be thought to bear on their independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Kelly
For and on behalf of Grant Thornton
Chartered Accountants & Statutory Audit Firm

Dublin 2, Ireland
16 April 2021

EQTEC biomass waste-to-energy plant,
Karlovo, Stroevo, Bulgaria

EQTEC plc
Registered Number: 462861

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