

28 September 2021

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

**Interim results for the six months ended 30 June 2021**

EQTEC plc (AIM: EQT), a world-leading gasification solutions company building the future of a cleaner waste-to-energy industry, is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

### Highlights

- **Growing conversion of pipeline opportunities into active development projects**
- **Financial Close of first Market Development Centre, with others following**
- **Investment in growth platform through Joint Ventures and expert teams**
- **Oversubscribed placing for £16 million in new development capital**
- **Ramp-up in engagement with policy makers, influencers and ESG interest groups**
- **On track to achieve seven times revenue growth over previous year**

### David Palumbo, CEO of EQTEC, commented:

"As we approach the United Nations Climate Change Conference (COP26) UK 2021 in November, we are pleased to share our Interim Results for 2021 and outlook for the second half of the year, along with a broader update about how we are strengthening our efforts to transform waste into clean energy and biofuels. Our hope for COP26 is that the EU, UK and USA in particular embrace more ambitious and stringent targets aimed at ultimate outcomes for the environment, such as increased carbon efficiency and reduced total emissions, especially of the most hazardous pollutants.

The Company has been increasingly active in 2021 with policy influencers and policymakers. Early in the year, we joined and worked closely with a number of industry associations in the EU and UK. We contributed directly to and co-authored the European Biogas Association's upcoming whitepaper, *Gasification: a sustainable technology for circular economies – scaling up to reach Net Zero by 2050*, and we made written submissions to consultations opened by UK Environment Agency and UK Department for Business, Energy and Industrial Strategy (BEIS).

Policymakers need to know that EQTEC's Advanced Gasification is not a concept technology for the future - it is a 'now' solution for 'now' challenges of waste management and clean energy. Through the projects we are developing right now, EQTEC's innovations are being aimed at:

- Preventing forest fires in California;
- Clearing farming waste and delivering clean energy in Greece, Italy and Croatia;
- Handling municipal solid waste and delivering clean energy at scale in the UK;
- Innovating synthetic natural gas ("SNG") solutions in Ireland; and
- Converting legacy facilities in France to handle industrial and contaminated waste.

Our solutions deliver both a low emissions profile from waste treatment along with highly efficient production of energy or biofuel. So, even as we push harder to raise awareness of the immediate contribution we will make to the goals of COP26, we are hard at work identifying, qualifying and pursuing new projects in our target markets, for those who already know.

Throughout the first half of 2021, we focused our efforts on building out our platform for growth and scale. We converted more opportunities into active projects, formalised local, joint venture (“JV”) partnerships, kicked off acquisition and development of Market Development Centres (“MDCs”) and grew our team of experienced, project development experts to pursue more opportunities with quality and pace. As awareness and interest grows in gasification, we will be prepared to respond.

The Group is growing, making Advanced Gasification Technology more available to more places for more applications, but we want to move faster. To accelerate, we need stronger support from public policy, local authorities and the clean energy sector. EQTEC’s Advanced Gasification Technology was proven long ago, but we need to increase awareness further with EU, UK, US and others, of the superior efficiency, emissions profile and sustainability of our solutions versus legacy alternatives. The ESG strategy and marketing strategy we are currently developing for 2022 onwards will contribute to giving gasification a greater profile, and position EQTEC as the leader of the sector.

We look forward to closer engagement and collaboration with influencers and policymakers to position EQTEC as a leader in waste-to-energy for the present and the future. We believe the greatest proof of our capabilities is in implementing them more often, in more plants; but we also believe that an increasingly supportive policy environment, with incentives for superior cleantech solutions, would accelerate our progress and the benefits we deliver toward sustainable ecosystems.”

## OPERATIONAL, COMMERCIAL AND CORPORATE HIGHLIGHTS

### Plant construction:

- In the first half of the year, the Company progressed with installation of the gasification reactor and associated equipment inside the primary steel structures at its 2MWe facility at North Fork, in California, USA. The site was attended for three weeks in May by CTO Yoel Alemán and another EQTEC expert engineer, following relaxation of Covid-19 travel restrictions.
- Additionally, the Company and its partners ewerGy GmbH (“**ewerGy**”) and local partner ECO Hellas (“**ECO Hellas**”) progressed construction work on the 0.5 MWe Agrigas 1 biomass-to-energy plant in Larissa, Greece.

### Financial close:

- On 17 May, the Company announced it had formed a consortium to acquire and recommission a plant in Italy with EQTEC’s gasification technology at its centre. On 21 June, the Company announced Financial Close of the 1MWe, EQTEC Italia MDC biomass-to-energy project in Tuscany, Italy, the first of EQTEC’s Market Development Centres (“**MDCs**”). Once operational, it is expected that EQTEC will become the O&M contractor for the plant.

### Project development:

- On 8 January, the Company signed a Memorandum of Understanding (“**MoU**”) with Nobilis Pro Energy S.A. (“**Nobilis**”). The agreement includes the collaborative development of Nobilis’s existing pipeline of opportunities in Thessalia and Central Greece and for the proposed delivery of these and further projects, including construction in Nobilis, Almyros, with grid connection and the land agreement in place.
- On 27 January, EQTEC received notification of planning approval from Stockton-on-Tees Borough Council for an improved waste-to-energy scheme for the Company’s RDF-to-energy project at Billingham, Teesside, which will be the UK’s first EQTEC Advanced Gasification plant (“**Billingham**”). On 26 February, the Company announced that the Billingham project Special Purpose Vehicle (“**SPV**”), Haverton WTV Limited, had signed a conditional Land Purchase Agreement (“**LPA**”) for the land on which the proposed plant will be constructed and

commissioned. In June, the Company announced completion of concept design work for the core gasification process and progress with design on the full plant.

- On 9 February, the Company signed a Collaboration Framework Agreement with Logik Developments Limited ("**Logik**"), including the participation by both Parties to develop an RDF-to-energy project at Deeside, Flintshire, UK, through the Deeside WTV Limited SPV ("**Deeside**"). On 11 March, the Company announced it had signed a Collaboration Framework Agreement with Toyota Motor Manufacturing UK ("**Toyota**"), effective for three years. Through the Deeside RDF-to-energy project, the Company and Toyota agreed to collaborate to explore an innovative, circular and sustainable waste-to-energy solution for Toyota's engine manufacturing plant in Deeside. This could include establishing a supply of power and gas to the Toyota engine manufacturing site and the potential supply of bio-methane gas and green electricity and conversion of manufacturing waste through the sharing of cost data, energy usage and other information. In June, the Company submitted a planning application for a Phase 2 gasification facility deploying EQTEC technology at the Deeside site where Phase 1 recycling and anaerobic digestion facilities are already approved for development. As most planning conditions have been satisfied for Phase 1, the project is on track for Financial Close.

#### **Other business development:**

- On 22 March, the Company announced it had entered into a Framework Partnership Agreement ("**FPA**") with MetalNRG plc ("**MetalNRG**"), to develop shovel-ready, biomass-to-energy, RDF-to-energy and sustainable, clean energy projects in the UK and Europe through MetalNRG's SPV, MetalNRG Eco Limited. The Company acquired £500,000 in MetalNRG shares through the exchange of the same value of EQTEC shares with MetalNRG as at 7 May 2021. MetalNRG has since participated in one EQTEC project, currently under construction, as a consortium investor, in the recommissioning and repowering of the Italia MDC project.

#### **Broker appointment:**

- On 29 March, the Company appointed Canaccord Genuity Limited as Joint Broker.

#### **FINANCIAL HIGHLIGHTS**

- **Revenue:** For the six-month period through to 30 June 2020, the Company recorded revenue of €0.5 million, predominantly from technology sales.
- **Profit/(loss):** For the same period, the Company recorded an adjusted net loss of €2.6 million, impacted by increased, growth-orientated operational expenditure and before a €1.4 million loss arising from a non-cash item relating to share-based payments.
- **Assets:** As at 30 June 2021, the net assets of the Group stood at €42.8 million, which included new capital raised from the Placing in May 2021.
- **Cash:** The cash balances of the Group as at 30 June 2021 were €15.3 million.
- **Debt:** In January 2021, the Company agreed a new loan facility of €1.25 million with EQTEC shareholder Altair Group Investment Limited ("**Altair**"), with a maturity date of 31 December 2021. The loan, fully drawn down to repay an outstanding debt with another lender, had a lower interest rate than the previously held debt facility but was then itself repaid in full to Altair, in June 2021, six months ahead of schedule.
- **Placing:** On 28 May 2021, the Company successfully completed a Placing that raised £16 million (€19 million), before expenses, in new investment capital aimed at accelerating the Company's growth. The capital raised through the Placing has been and will continue to be deployed to three key areas: (1) project development of MDCs; (2) project development of larger, RDF-to-energy deals in the UK; and (3) growth in the Company's capability and capacity. The Placing generated new interest in the Company and was oversubscribed.
- **Long-term Incentive Plan ("LTIP"):** In February, the Company announced its LTIP for all directors and employees to link pay with Company and individual performance and to invest in

talent to grow the business. It also announced the granting of share options for 2021, which would vest over three years starting the following year, subject to conditions. The Company confirmed that the LTIP is the Company's sole, long-term incentive programme and that it therefore has no plans to issue further warrants as remuneration, as normal business practice. As at 30 June 2021, the Company had a total of 658,210,979 employee-related warrants and options outstanding, all of which were issued prior to the introduction of the LTIP.

## POST PERIOD HIGHLIGHTS

### July 2021

- On 12 July, the Company announced it had made a non-binding proposal to provide requisite funding, as a convertible loan facility, to take to completion the North Fork, California, USA project. The proposed facility, if accepted, fully drawn down and converted, would result in the Company's increasing its current minority stake to take a controlling interest in the project project SPV, North Fork Community Power (NFCP). The Company expects legal execution to be concluded shortly.
- On 19 July, the Company confirmed that the first shipment of technology components was received on site at the Agrigas 1 project in Larissa, Greece.
- On 19 July, the Company announced that designs for the Billingham RDF-to-energy project had been reviewed with potential partners, including French waste-to-energy owner-operator, Groupe Idex ("**Idex**"). It also confirmed that the project team had launched engagement with prospective delivery partners including Tier 1 EPC companies.
- On 19 July, Nauman Babar was appointed to the board of directors as Finance Director.

### August 2021

- On 11 August, the Company announced the acquisition, through Synergy Projects d.o.o. ("**Synergy Croatia**"), a joint venture between the Company and its Croatian project development partner Sense ESCO d.o.o. ("**Sense ESCO**"), of a 1.2 MWe biomass-to-energy gasification plant in Belišće, Croatia. The contract value of EQTEC's technology sales for the plant is expected to be €1.7 million in technology and engineering upgrades. Once operational it will become the second EQTEC Market Development Centre. Additionally, it is expected that the Company will become the plant's O&M contractor.

### September 2021

- On 14 September, the Company announced the acquisition, through Synergy Croatia, of a 1.2 MWe biomass-to-energy gasification plant in Karlovac, Croatia. The plant, expected to be updated, recommissioned and repowered for operations towards the end of 2022, is expected to produce approximately 1.2 MW of electricity as well as high-quality biochar. The contract value of EQTEC's technology sales for the plant is expected to be c. €4.5 million in technology and engineering. Additionally, is expected that the Company will become the plant's O&M contractor.
- On 15 September, the Company confirmed that most technology components, including the Siemens Jenbacher engine, had arrived on site at Agrigas 1. The Company can now confirm that the final shipment of equipment, to include heat exchangers, gasifier, cyclone, filters and refractory, is expected to be shipped by the end of September and delivered on site in October.
- On 16 September, the Company announced it had signed a Heads of Terms with Kibo Energy plc ("**Kibo**"), with Kibo expected to acquire, after finalising a Share Purchase and Shareholders Agreement and securing of the requisite funding, a 54.54% equity stake in the Billingham, Teesside, UK project SPV, for a contribution of £3 million.
- On 24 September, the Company announced the formation of a JV, EQTEC Synergy Projects Limited ("**Synergy Aegean**") between EQTEC and its Greek strategic partners, German EPC ewerGy GmbH ("**ewerGy**") operating in Greece via its local partner, ECO Hellas M IKE ("**ECO Hellas**"). It was also confirmed that Synergy Aegean had signed an agreement for the proposed

acquisition of a 1MWe biomass-to-energy gasification project in Livadia, Greece and exclusivity for a second 1MWe project nearby.

- On 27 September, the Company announced that its wholly owned subsidiary, Southport WTV Limited, project SPV for the Southport, Merseyside, UK RDF-to-energy project, had signed a Share Purchase Agreement with Rotunda Group Limited ("**Rotunda**") and its subsidiary Shankley Biogas Limited, to acquire full ownership of the Southport Hybrid Energy Park project from Rotunda through the acquisition of Shankley Biogas Limited.

## **Outlook**

- The Company remains on track to achieve its previously stated 2021 revenue forecast of approximately €15 million, assuming timely closure of EQTEC projects as planned. This would represent a 700% increase in revenue over the €2.2 million in revenue delivered in 2020.
- The Company expects to deliver modest EBITDA for the year, following investments made to accelerate growth. This supports its aspiration for 2021 to be its first year with positive EBITDA whilst investing in commercial sustainability and scale. Investments include expert support for project development and new talent to build the growth platform and R&D initiatives to keep EQTEC technology at the leading edge.
- The Company expects to continue increasing the number of pipeline opportunities it converts to projects under active development. In support of this growth, it expects to invest in increased engineering capability and capacity, especially in mechanical, electrical and civil engineering, and grow its engineering and project management capabilities to undertake more projects in parallel, in more places, at the same time.
- Inspired by a highly active and accelerating interest in cleantech from the French national, regional and local governments and from potential lenders and development partners, the Company has identified and is pursuing a number of opportunities in France. These include potential projects for biomass-to-energy and for gasification of industrial and contaminated waste, including retro-fitting of legacy, fossil fuel facilities for reuse as cleantech businesses.
- The Company and its Ireland-based partner Carbon Sole Group Limited ("**Carbon Sole**") continue to pursue development of two or more projects in Ireland for biomass-to-bioenergy plants and in particular sustainable forestry waste for production of synthetic natural gas ("**SNG**"). To further support these efforts, EQTEC is discussing technology collaboration with potential partners for methanation and other technologies that help convert syngas into various forms of bioenergy.
- The Company continues to actively pursue its innovation, research and development ("**R&D**") programme, especially through its partnership with the Université de Lorraine ("**UoL**") in France. At least three R&D trials are planned at the end of 2021 with UoL and other partners, toward testing of RDF, plastic residues and waste wood biomass feedstocks. New projects and a new R&D agenda for 2022 will be defined by year end with UoL and other technology partners.
- Aligned with its mission, the Company is committed to demonstrating the importance of leading delivery of environmental, social and governance ("**ESG**") initiatives. Working with a leading third-party consultancy, the Company is developing an ESG statement of intent and incorporation of specific, ESG objectives and activities into its strategy and business plans. The Company looks forward to providing an update on its ESG intentions at the end of the year.

The unaudited interim results for the six months ended 30 June 2021, which are contained below and form part of this announcement, include further important information and disclosures. The announcement should be read in its entirety.

The Company will update shareholders in its next planned quarterly update in early 2022.

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

## CEO REPORT

The first half of 2021 was formative for EQTEC, and it is my shared expectation with the Board of Directors that the Group will see the fruit of these efforts in our 2021 annual results.

We converted more pipeline opportunities into projects focused on and ready for development, building a platform for growth and scale from which to launch them and increasing the number of future projects to Financial Close and beyond. The Group is growing: in terms of opportunities, projects, relationships, partnerships and formal channels for establishing our Advanced Gasification Technology as the core of more business models that address today's problems of how to reduce waste and generate more energy, more cleanly, in more markets.

The Board of Directors remains steadfast in our focus on achieving our revenue target this year. Delivery of c.€15 million in revenue would represent a seven-fold increase over 2020 and truly indicate the pace of growth we are experiencing. As indicated in our Q2 Trading Update, the Company entered 2021 with full knowledge that the second half of the year would see the financial results of strong efforts in the first half.

With that in mind, the first half of 2021 was focused on:

1. **Market growth.** It was only one year ago, in our 2020 Interim Results, that we announced pipeline growth from 15 to 41 opportunities. In our March 2021 Trading Update, we announced pipeline growth from 41 to 75 opportunities and since then, the number of opportunities continues to grow. Perhaps more significantly, and following the closure of two deals in 2020, we announced in March that 10, specific projects were under construction or under development, demonstrating our ability to successfully convert that pipeline into revenue generating projects. By the end of June, that number was 13, as outlined in our Q2 Trading Update. As of this report, we have 17 projects under construction or development, indicating steady growth based on the strength of our project development teams and our local partnerships in target markets.

In March, we announced the evolution of some go-to-market partner relationships into formal, joint ventures. We announced the first, in Croatia, with formation of Synergy Projects d.o.o. ("**Synergy Croatia**"). The second, formalised this month, is for Greece, with the formation of EQTEC Synergy Projects Limited. Both are led by the Group and link us with local markets through well established partners, who will lead local development activities, nurture relationships with local communities and decision-makers and provide a range of other services from funding management to commercial negotiation, and from plant engineering and procurement to construction and commissioning management. We look forward to announcing JVs in other target markets.

In May, we announced the acquisition of our first MDC in Italy, later in the year announcing a second in Croatia. We also indicated our intentions to invest in MDCs in other markets. The MDCs will showcase EQTEC technology in live, commercial environments and drive greater awareness and understanding of our contribution to cleaner, more efficient energy and biofuel production.

2. **Platform for sustainable growth.** To support the growth in pipeline and our ability to convert more opportunities into projects in more markets, without sacrificing the quality or

pace of development, we invested in capabilities and capacity to support the quality and pace we require as we further grow the business into the future.

Toward driving high-quality project development at pace, we invested in onboarding a cadre of veteran project developers and waste-to-energy commercial experts to work with us on our most complex projects. We established a framework for EQTEC project development across commercial, funding, engineering and delivery readiness activities and we appointed 'integration leads' to drive project development to a single plan for high-quality, on-time outcomes. Combined with the experience and expertise of our strategic partners in target markets, we will combine the 'best of the best' into standards, methods and tools for consistent use.

We appointed a new Finance Director, who reviewed current financial management and statutory compliance arrangements and outlined near-term and longer-term priorities for further building out financial controls, compliance and reporting, project finance standards and financial modelling capabilities. We refined our financial modelling tools and ran multiple scenarios in various projects to maximise IRRs and risk mitigation. We continued identifying and negotiating with prospective offtake customers, feedstock providers and project investors.

Critically, we built a plan to rapidly scale our engineering capability alongside our established engineering partners and look forward to making future announcements about our progress.

3. **Market awareness.** We improved our engagement with news media and key stakeholders including policy influencers and policy-makers.

We joined the Association for Renewable Energy and Clean Technology (REA) in the UK and Bioenergy Europe and the European Biogas Association (EBA) in the EU. We joined advanced thermal conversion technology (ATCT) working groups and we contributed evidence to the Environment Agency and the UK Department for Business, Energy and Industrial Strategy (BEIS) Biomass Strategy call for evidence in *The Role of Biomass in Achieving Net Zero*.

We responded to Bioenergy Europe's call for case studies to input to its *Study: Bioenergy in 2050*. We submitted additional information to these organisations about the positive impacts of gasification plants in supporting a circular economy; plants complementary with other technologies in reducing emissions, creating employment and stimulating local communities and economies.

We played a key role in co-authoring the EBA's first gasification whitepaper, *Gasification: a sustainable technology for circular economies – scaling up to reach Net Zero by 2050*, to be published in October aimed at growing awareness from EU policymakers, media and other stakeholders as to the full potential of gasification as a circular economic model and enabler for realising Net Zero targets.

To fund the build-out and application of our platform for growth and scale, we announced in May a successful, over-subscribed Placing, which raised more than £16 million in investment capital. We have been quick and efficient at deployment of much of this capital as intended.

The Company feels very different at Interim Results 2021 than it did at Interim Results 2020, and the Board of Directors shares my view that it will feel very different again at Interim Results 2022. The growing stability of our platform allows us now to look for growth as a Group business in multiple markets and increasingly, with multiple use cases and business models based on EQTEC technology.

The versatility of EQTEC technology accommodates a wide range of feedstock and a wide range of applications as well. We are currently pursuing predominantly power and heat applications from a range of feedstocks. But we are running trials and tests with our R&D partners for both feedstock and applications, and we are growing our relationships with technology partners to work with us on a more diverse range of applications such as SNG, biofuels and hydrogen.

I note that hydrogen has been much in the news over recent weeks. As one of the three major components of the syngas produced through EQTEC Advanced Gasification Technology, we have long anticipated the rise of hydrogen as a commercially viable proposition. A clear hydrogen economy has yet to emerge, due both to the prohibitive cost of electrolysers and a lack of quantifiable, commercial demand.

However, because we see resolution of these challenges on the horizon, EQTEC will be ready. Our technology is exceptionally well-positioned by the ultra-pure, intermediate fuel it produces for a range of applications, including hydrogen via water-gas shift (“WGS”) reaction. We are actively exploring certification with TÜV for hydrogen-linked technologies. In parallel, we are actively developing agreements with leading technology partners for joint, go-to-market solution development based on hydrogen and other applications. For at least one project under development where there is qualified commercial demand for hydrogen, we are considering proposal of syngas-based alternatives to the proposed electrolysis solution. We expect to make announcements on these points shortly.

As the global community turns its attention towards COP 26 in Glasgow this November, I am pleased to reaffirm that the Company is taking a greater role in more places, with more partners and with increasing impact to define our place in the Net Zero economy and make a meaningful contribution to sustainable, cleantech businesses around the world.

**David Palumbo**  
Chief Executive Officer

## UNAUDITED INTERIM FINANCIAL STATEMENTS

EQTEC plc  
Unaudited condensed consolidated statement of profit or loss  
for the six months ended 30 June 2021

	Notes	6 months ended 30 June 2021	6 months ended 30 June 2020
		€	€
<b>Revenue</b>	6	481,720	770,308
Cost of sales		<u>(414,549)</u>	<u>(690,166)</u>
<b>Gross profit</b>		67,171	80,142
<b>Operating income/(expenses)</b>			
Administrative expenses		(2,277,559)	(1,489,373)
Impairment of financial investments		-	(17,324)
Other income		-	45,810
Other gains/(losses)	7	(1,404,755)	-
Change in fair value of investments		(52,846)	-
Foreign currency gains/(losses)		<u>123,044</u>	<u>74,470</u>
<b>Operating loss</b>		(3,544,945)	(1,306,275)
Share of loss from equity accounted investments		(2,914)	-
Finance income		21,711	-



Finance costs		<u>(512,414)</u>	<u>(540,135)</u>
<b>Loss before taxation</b>	6	(4,038,562)	(1,846,410)
Income tax	8	—	—
<b>Loss for the financial period from continuing operations</b>		(4,038,562)	(1,846,410)
Profit for the financial period from discontinued operations	21	—	<u>24,827</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u>(4,038,562)</u>	<u>(1,821,583)</u>
<b>Loss/(Profit) attributable to:</b>			
Owners of the company		(4,037,800)	(1,819,363)
Non-controlling interest		<u>(762)</u>	<u>(2,220)</u>
		<u>(4,038,562)</u>	<u>(1,821,583)</u>
		<b>6 months ended</b>	<b>6 months ended</b>
		<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>€ per share</b>	<b>€ per share</b>
Basic loss per share:			
From continuing operations	9	<u>(0.0005)</u>	<u>(0.0005)</u>
From continuing and discontinued operations	9	<u>(0.0005)</u>	<u>(0.0005)</u>
Diluted loss per share:			
From continuing operations	9	<u>(0.0005)</u>	<u>(0.0005)</u>
From continuing and discontinued operations	9	<u>(0.0005)</u>	<u>(0.0005)</u>

EQTEC plc  
 Unaudited condensed consolidated statement of other comprehensive income  
 for the six months ended 30 June 2021

	6 months ended 30 June 2021 €	6 months ended 30 June 2020 €
<b>Loss for the financial period</b>	<u>(4,038,562)</u>	<u>(1,821,583)</u>
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on retranslation of foreign operations	<u>88,473</u>	<u>(141,181)</u>
	<u>88,473</u>	<u>(141,181)</u>
<b>Total comprehensive loss for the financial period</b>	<u>(3,950,089)</u>	<u>(1,962,764)</u>
Attributable to:		
Owners of the company	(3,843,401)	(2,009,617)
Non-controlling interests	<u>(106,688)</u>	<u>46,853</u>
	<u>(3,950,089)</u>	<u>(1,962,764)</u>

**EQTEC plc**  
**Unaudited condensed consolidated statement of financial position**  
**At 30 June 2021**

	Notes	30 June 2021	31 December 2020
ASSETS		€	€
<b>Non-current assets</b>			
Property, plant and equipment	10	344,810	187,792
Goodwill	11	15,283,459	15,283,459
Other intangible assets	12	2,443,832	-
Financial assets	13,14	<u>6,930,938</u>	<u>5,950,513</u>
Total non-current assets		<u>25,003,039</u>	<u>21,421,764</u>
<b>Current assets</b>			
Development costs	15	2,433,006	503,653
Loans receivable from project development	15	1,809,746	482,537
Trade and other receivables	16	1,741,975	894,531
Cash and cash equivalents		<u>15,341,569</u>	<u>6,394,791</u>
Total current assets		<u>21,326,296</u>	<u>8,275,512</u>
<b>Total assets</b>		<b><u>46,329,335</u></b>	<b><u>29,697,276</u></b>

EQTEC plc  
 Unaudited condensed consolidated statement of financial position  
 At 30 June 2021 – continued

	Notes	30 June 2021	31 December 2020
		€	€
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	25,805,877	24,355,545
Share premium		82,859,049	62,896,521
Other reserves		2,148,220	2,148,220
Accumulated deficit		<u>(65,718,962)</u>	<u>(61,875,561)</u>
Equity attributable to the owners of the company		45,094,184	27,524,725
Non-controlling interests		<u>(2,330,674)</u>	<u>(2,223,986)</u>
Total equity		<u>42,763,510</u>	<u>25,300,739</u>
<b>Non-current liabilities</b>			
Lease liabilities	19	<u>154,799</u>	<u>106,465</u>
Total non-current liabilities		<u>154,799</u>	<u>106,465</u>
<b>Current liabilities</b>			
Trade and other payables	20	3,217,177	3,183,979
Borrowings	18	-	1,020,851
Lease liabilities	19	<u>193,849</u>	<u>85,242</u>
Total current liabilities		<u>3,411,026</u>	<u>4,290,072</u>
<b>Total equity and liabilities</b>		<b><u>46,329,335</u></b>	<b><u>29,697,276</u></b>

## EQTEC plc

Unaudited condensed consolidated statement of changes in equity  
for the six months ended 30 June 2021 and the six months ended 30 June 2020

	Share Capital €	Share premium €	Other reserves €	Accumulated deficit €	Equity attributable to owners of the company €	Non-controlling interests €	Total €
<b>Balance at 1 January 2020</b>	<b><u>21,317,482</u></b>	<b><u>52,487,278</u></b>	-	<b><u>(56,011,538)</u></b>	<b><u>17,793,222</u></b>	<b><u>(2,326,274)</u></b>	<b><u>15,466,948</u></b>
Issue of ordinary shares	300,400	796,144	-	-	1,096,544	-	1,096,544
Reclassification on non-controlling interests	-	-	-	(15,760)	(15,760)	15,760	-
Share issue costs	-	(3,897)	-	-	(3,897)	-	(3,897)
<i>Transactions with owners</i>	<u>300,400</u>	<u>792,247</u>	-	<u>(15,760)</u>	<u>1,076,887</u>	<u>15,760</u>	<u>1,092,647</u>
Loss for the financial period	-	-	-	(1,819,363)	(1,819,363)	(2,220)	(1,821,583)
Unrealised foreign exchange gains/(losses)	-	-	-	(190,254)	(190,254)	49,073	(141,181)
<i>Total comprehensive loss for the financial period</i>	-	-	-	<u>(2,009,617)</u>	<u>(2,009,617)</u>	<u>46,853</u>	<u>(1,962,764)</u>
<b>Balance at 30 June 2020</b>	<b><u>21,617,882</u></b>	<b><u>53,279,525</u></b>	-	<b><u>(58,036,915)</u></b>	<b><u>16,860,492</u></b>	<b><u>(2,263,661)</u></b>	<b><u>14,596,831</u></b>
<b>Balance at 1 January 2021</b>	<b><u>24,355,545</u></b>	<b><u>62,896,521</u></b>	<b><u>2,148,220</u></b>	<b><u>(61,875,561)</u></b>	<b><u>27,524,725</u></b>	<b><u>(2,223,986)</u></b>	<b><u>25,300,739</u></b>
Issue of ordinary shares	1,403,448	21,344,046	-	-	22,747,494	-	22,747,494
Issue of share capital on exercise of employee share warrants	46,884	89,351	-	-	136,235	-	136,235
Share issue costs	-	(1,470,869)	-	-	(1,470,869)	-	(1,470,869)
<i>Transactions with owners</i>	<u>1,450,332</u>	<u>19,962,528</u>	-	-	<u>21,412,860</u>	-	<u>21,412,860</u>
Loss for the financial period	-	-	-	(4,037,800)	(4,037,800)	(762)	(4,038,562)
Unrealised foreign exchange losses	-	-	-	194,399	194,399	(105,926)	88,473
<i>Total comprehensive loss for the financial period</i>	-	-	-	<u>(3,843,401)</u>	<u>(3,843,401)</u>	<u>(106,688)</u>	<u>(3,950,089)</u>
<b>Balance at 30 June 2021</b>	<b><u>25,805,877</u></b>	<b><u>82,859,049</u></b>	<b><u>2,148,220</u></b>	<b><u>(65,718,962)</u></b>	<b><u>45,094,184</u></b>	<b><u>(2,330,674)</u></b>	<b><u>42,763,510</u></b>

**EQTEC plc**  
**Unaudited condensed consolidated statement of cash flows**  
**for the six months ended 30 June 2021**

	Notes	6 months ended 30 June 2021 €	6 months ended 30 June 2020 €
<b>Cash flows from operating activities</b>			
Loss for the financial period		(4,038,562)	(1,846,410)
Adjustments for:			
Depreciation of property, plant and equipment		59,596	41,732
Write off of financial liability		-	(5,691)
Impairment of financial assets		-	17,324
Share of loss from equity accounted investments		2,914	-
Change in fair value of investments		52,846	-
Loss/(gain) on debt for equity swap		1,404,755	-
Unrealised foreign exchange movements		<u>328,535</u>	<u>247,712</u>
Operating cash flows before working capital changes		(2,189,916)	(1,545,333)
(Increase)/decrease in:			
Development costs		(1,929,353)	(60,643)
Trade and other receivables		(840,758)	(45,050)
Increase/(decrease) in Trade and other payables		<u>87,226</u>	<u>1,258,709</u>
<b>Cash used in operating activities – continuing operations</b>		<b>(4,872,801)</b>	<b>(392,317)</b>
Finance income		(21,711)	-
Finance costs		<u>512,414</u>	<u>540,135</u>
<b>Net cash (used in)/generated from operating activities – continuing operations</b>		<b>(4,382,098)</b>	<b>147,818</b>
Net cash generated from operating activities – discontinued operations	21	-	<u>84,821</u>
<b>Cash (used in)/ generated from operating activities</b>		<b><u>(4,382,098)</u></b>	<b><u>232,639</u></b>
<b>Cash flows from investing activities</b>			
Proceeds from the disposal of property, plant and equipment		-	300,000
Additions to intangible assets		(1,000,000)	-
Additions to equity accounted investments		(492,000)	-
Loans advanced to project development undertakings		<u>(1,283,801)</u>	-
<b>Net cash (used in) generated from investing activities – continuing operations</b>		<b>(2,775,801)</b>	<b>300,000</b>
Net cash generated from investing activities – discontinued operations	21	-	<u>3</u>
<b>Net cash (Used in)/generated from investing activities</b>		<b><u>(2,775,801)</u></b>	<b><u>300,003</u></b>

**EQTEC plc**  
**Unaudited condensed consolidated statement of cash flows**  
**for the six months ended 30 June 2021 - continued**

	Notes	6 months ended 30 June 2021	6 months ended 30 June 2020
		€	€
<b>Cash flows from financing activities</b>			
Proceeds from borrowings and lease liabilities		1,391,174	-
Repayment of borrowings and lease liabilities		(2,929,858)	(182,232)
Proceeds from issue of ordinary shares		19,034,484	1,031,274
Share issue costs		(1,266,913)	(16,207)
Loan issue costs		-	(30,944)
Interest paid		-	(7,783)
<b>Net cash generated from financing activities – continuing operations</b>		<b>16,228,887</b>	<b>794,108</b>
Net cash generated from/(used in) financing activities – discontinued operations	21	-	(61,861)
<b>Net cash generated from financing activities</b>		<b><u>16,228,887</u></b>	<b><u>732,247</u></b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>9,070,988</b>	<b>1,264,889</b>
Cash and cash equivalents at the beginning of the financial period		<u>6,270,581</u>	<u>608,194</u>
<b>Cash and cash equivalents at the end of the financial period</b>		<b>15,341,569</b>	<b>1,873,083</b>
Cash and cash equivalents included in disposal group	21	-	(148,765)
<b>Cash and cash equivalents for continuing operations</b>		<b><u>15,341,569</u></b>	<b><u>1,724,318</u></b>

## **EQTEC plc**

### **Notes to the unaudited condensed consolidated financial statements**

#### **1. GENERAL INFORMATION**

The unaudited interim condensed consolidated financial statements of EQTEC plc ("the Company") and its subsidiaries ("the Group") for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 27 September 2021.

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

The 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.

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. BASIS OF PREPERATION**

The unaudited interim condensed consolidated financial statements are for the six months ended 30 June 2020 and are presented in Euro, which is the functional currency of the parent company. They have been prepared on a going concern basis in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the financial year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial information contained in this interim statement, which is unaudited, does not constitute statutory accounts as defined by the Companies Act, 2014. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2020. The financial statements of the Group were prepared in accordance with IFRSs as adopted by the European Union and can be found on the Group's website at [www.eqtec.com](http://www.eqtec.com).

The financial information for the six months ended 30 June 2021 and the comparative financial information for the six months ended 30 June 2020 have not been audited or reviewed by the Company's auditors pursuant to guidance issued by the Auditing Practices Board. The comparative figures for the financial year ended 31 December 2020 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and will be delivered to the Company's Registration Office in due course. The audit report on those statutory accounts was unqualified.

The Group incurred a loss on continuing operations of €4,038,562 (1H 2020: €1,846,410) during the six-month period ended 30 June 2021 and had net current assets of €17,915,270 (31 December 2020: €3,985,440) and net assets of €42,763,510 (31 December 2020: €25,300,739) at 30 June 2021.

#### ***Going concern***

The unaudited interim financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient funds available to enable them to continue to trade for the foreseeable future.

During June 2021 the Company raised £16 million (before expenses) by way of a Placing and Retail Offer. The directors consider that this is sufficient funding for the Company to continue as a going concern beyond the twelve months of the date of this report.

The directors are confident that the funding received by the Company in June 2021 will ensure that it will continue as a going concern and that there will be sufficient funding in the Company to continue to support its activities for the foreseeable future being not less than twelve months from the date of approval of these financial statements. The directors have therefore prepared the financial statements on a going concern basis.

The financial statements do not include any adjustments that would arise if the Company were unable to continue as a going concern.

#### **3. BASIS OF CONSOLIDATION**

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



**4. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies used in preparing the unaudited interim condensed consolidated financial information are consistent with those disclosed in the Annual Report and Accounts of EQTEC plc for the financial year ended 31 December 2020, except for the adoption of new standards and interpretations and revisions of existing standards as of 1 January 2021 noted below:

**New/revised standards and interpretations adopted in 2021**

The following amendments to existing standards and interpretations were effective in the period to 30 June 2021, but were either not applicable or did not have any material effect on the Group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest Rate Benchmark Reform Phase 2*;
- Amendments to IFRS 16: *COVID-19 Rent Related Concessions*;

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

**Development assets**

Development assets are stated at the lower of cost and net realisable value. Costs represent expenses associated with engineering, project management, permitting, planning, financing and other services, incurred in furthering the development of a project towards financial close. Net realisable value is based on estimated revenue to be recognized for development services less further costs expected to be incurred to the financial close of a project.

**5. ESTIMATES**

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

The judgements, estimations and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the financial year ended 31 December 2020.

**6. 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)	
	6 months ended		6 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	€	€	€	€
Technology Sales	481,720	770,308	(427,114)	(407,482)
Power Generation	-	-	(185)	(4,565)
<b>Total from continuing operations</b>	<b>481,720</b>	<b>770,308</b>	<b>(427,299)</b>	<b>(412,047)</b>
Central administration costs and directors' salaries			(1,783,089)	(997,184)
Impairment of financial investments			-	(17,324)
Other income			-	45,810
Change in fair value of investments			(52,846)	-
Other gains and losses			(1,404,755)	-
Foreign currency gains/(losses)			123,044	74,470
Share of loss of equity accounted investments			(2,914)	-
Finance income			21,711	-
Finance costs			(512,414)	(540,135)
<b>Loss before taxation (continuing operations)</b>			<b>(4,038,562)</b>	<b>(1,846,410)</b>

**6. SEGMENT INFORMATION - continued**

Revenue reported above represents revenue generated from associated undertakings and external customers. Inter-segment sales for the financial period amounted to €Nil (2020: €Nil). Included in revenues in the Technology Sales Segment are revenues of €Nil (2020: €691,163) which arose from sales to North Fork Community Power LLC,, an associate undertaking of EQTEC plc.

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

Other segment information:

	Depreciation and amortisation		Additions to non-current assets	
	6 months ended		6 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	€	€	€	€
Technology sales	41,732	41,732	-	14,878
Power Generation	-	-	-	-
Head Office	<u>17,864</u>	<u>-</u>	<u>2,658,570</u>	<u>5,119</u>
	<u>59,596</u>	<u>41,732</u>	<u>2,658,570</u>	<u>19,997</u>

The Group operates in four principal geographical areas: Republic of Ireland (country of domicile), Spain, United States 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*	
	6 months ended	6 months ended	As at	As at
	30 June 2021	30 June 2020	30 June 2021	31 December 2020
	€	€	€	€
Republic of Ireland	-	-	2,443,832	-
Spain	481,720	79,145	146,061	187,792
United States	-	691,163	-	-
United Kingdom	<u>-</u>	<u>-</u>	<u>198,750</u>	<u>-</u>
	<u>481,720</u>	<u>770,308</u>	<u>2,788,643</u>	<u>187,792</u>

\*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.

**7. OTHER GAINS AND LOSSES**

	6 months ended 30 June 2021	6 months ended 30 June 2020
	€	€
(Loss)/Gain on debt for equity swap	<u>(1,404,755)</u>	<u>-</u>

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 €1,404,755 (H1 2020: gain of €Nil).

**8. INCOME TAX**

	6 months ended 30 June 2021	6 months ended 30 June 2020
	€	€
Income tax expense comprises:		
Current tax expense	-	-
Deferred tax credit	-	-
Adjustment for prior financial periods	<u>-</u>	<u>-</u>
<b>Tax expense</b>	<u>-</u>	<u>-</u>

**EQTEC plc****Notes to the unaudited condensed consolidated financial statements**

An income tax charge does not arise for the six months ended 30 June 2021 or 30 June 2020 as the effective tax rate applicable to expected total annual earnings is Nil as the Group has sufficient tax losses coming forward to offset against any taxable profits. A deferred tax asset as not been recognised for the losses coming forward.

9. LOSS PER SHARE	6 months ended 30 June 2021 € per share	6 months ended 30 June 2020 € per share
<b>Basic loss per share</b>		
From continuing operations	(0.0005)	(0.0005)
From discontinued operations	-	-
Total basic loss per share	<u>(0.0005)</u>	<u>(0.0005)</u>
<b>Diluted loss per share</b>		
From continuing operations	(0.0005)	(0.0005)
From discontinued operations	-	-
Total diluted loss per share	<u>(0.0005)</u>	<u>(0.0005)</u>

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

	6 months ended 30 June 2021 €	6 months ended 30 June 2020 €
Loss for period attributable to equity holders of the parent	<u>(4,037,800)</u>	<u>(1,819,363)</u>
Profit for the period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	<u>24,827</u>
Losses used in the calculation of basic loss per share from continuing operations	<u>(4,037,800)</u>	<u>(1,844,190)</u>
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>7,358,418,295</u>	<u>3,989,442,933</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>7,358,418,295</u>	<u>3,989,442,933</u>

**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.

	30 June 2021	30 June 2020
Share warrants in issue	663,310,335	576,876,933
Convertible loans in issue	-	<u>235,991,940</u>
Total anti-dilutive shares	<u>663,310,355</u>	<u>812,868,873</u>

**Events after the balance sheet date**

128,380,000 ordinary shares were issued after the period end. If these shares were in issue prior to 30 June 2021, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic loss per share and diluted loss per share by 21,396,667.

**10. PROPERTY, PLANT AND EQUIPMENT**

During the six-month period ended 30 June 2021, the Group acquired right-to-use assets financed through leases to the value of €214,378.

**11. GOODWILL**

Included are the following amounts relating to goodwill:

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Cost</b>	<b>€</b>	<b>€</b>
At start and at end of the financial period	<u>16,710,497</u>	<u>16,710,497</u>
<b>Accumulated impairment losses</b>		
At start of the financial period	1,427,038	1,427,038
Impairment losses	—	—
At end of the financial period	<u>1,427,038</u>	<u>1,427,038</u>
<b>Carrying value</b>		
At start and at end of the financial period	<u>15,283,459</u>	<u>15,283,459</u>

**12. OTHER INTANGIBLE ASSETS**

During the six-month period ended 30 June 2021, the Group acquired intellectual property rights valued at €2,443,832 as part of a settlement with Syngas Technology Engineering, S.L., a company wholly owned and controlled by Dr. Yoel Alemán, a director of the Company.

**13. FINANCIAL ASSETS**

During the six-month period ended 30 June 2021, the Group acquired the following financial assets:

a) *Investment in MetalNRG plc*

On 17 May 2021, the Company acquired 60,606,061 shares in MetalNRG plc in exchange for 27,932,961 Ordinary Shares of the Company.

b) *Investment in EQTEC Italia MDC srl*

During the six-month period ended 30 June 2021, the Group acquired a 20.02% share in an associate company, EQTEC Italia MDC srl. In addition, the Group advanced a loan of €482,000 to EQTEC Italia MDC srl. The loan is for a term of 36 months and the principal and any accrued interest are repayable in full on 18 June 2026, but EQTEC Italia MDC srl can repay the loan early without penalty. The loan is unsecured and has a coupon rate of 4% per annum, payable on termination of the loan.

**14. INVESTMENT IN ASSOCIATED UNDERTAKINGS**

Details of the Group's interests in associated undertakings at 30 June 2020 is as follows:

<i>Name of associated undertaking</i>	<i>Country of incorporation</i>	<i>Shareholding</i>	<i>Principal activity</i>
North Fork Community Power LLC	United States of America	19.99%	Operator of biomass gasification power project
EQTEC Italia MDC srl	Italy	20.02%	Operator of biomass gasification project

**EQTEC plc**  
**Notes to the unaudited condensed consolidated financial statements**

For the first five years of operation, the share of profits from North Fork Community Power LLC is limited to 0.1999% rising to 19.99% thereafter.

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
	€	€
Non-current assets	699,829	44,552
Current assets	20,738,537	17,686,647
Non-current liabilities	(19,298,707)	(16,213,836)
Current liabilities	<u>(422,135)</u>	<u>(263,150)</u>
Net assets	<u>1,717,524</u>	<u>1,254,213</u>
Group's share of net assets of associated entities	<u>343,344</u>	<u>250,717</u>
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Total revenues	18,567	12,721
Total expenses	<u>(31,664)</u>	<u>(2,461)</u>
Total (loss)/profit for the financial period	<u>(13,097)</u>	<u>10,260</u>
Group's share of (losses)/profits of associated entities	<u>(2,914)</u>	-

The investments in North Fork Community Power LLC and EQTEC Italia MDC srl are accounted for using the equity method in accordance with IAS 28.

The associates have not yet commenced to fully trade.

**15. DEVELOPMENT ASSETS**

	<b>30 June 2021</b>	<b>31 December 2020</b>
	€	€
Costs associated with project development	<u>2,433,006</u>	<u>503,653</u>
Loan receivable from project development undertakings	<u>1,809,746</u>	<u>482,537</u>

The Group uses its expertise in engineering, project management, permitting, planning and financing to develop waste to value projects. Once the projects reach a certain level of maturity, third party investors are allowed invest in the project SPV. The Group charges a premium to the project SPV for the development services over and above the costs incurred in developing the project.

Costs associated with project development, including loans advanced to project undertakings (together "Total Project Costs") comprise expenses associated with engineering, project management, permitting, planning, financing and other services, incurred in furthering the development of a project towards financial close. Total Project Costs set out above represent the cost of delivery of project development services and are transferred to cost of sales when the project SPV is invoiced by the Group for project development work.

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 30 June 2021, the loan is valued at €228,274 (31 December 2020: €213,297).

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

## EQTEC plc

## Notes to the unaudited condensed consolidated financial statements

16. TRADE AND OTHER RECEIVABLES	30 June 2021	31 December 2020
	€	€
Trade receivables – gross	615,407	638,602
Allowance for credit losses	<u>(475,687)</u>	<u>(475,687)</u>
Trade receivables – net	139,720	162,915
VAT receivable	456,121	172,405
Deferred consideration for the disposal of Pluckanes Windfarm Limited	126,572	120,424
Advances to related undertakings	60,100	60,000
Allowance for credit losses	(60,000)	(60,000)
Prepayments	241,798	133,403
Corporation tax	2,376	6,841
Payments on account	400,023	120,798
Other receivables	<u>375,265</u>	<u>177,745</u>
	<u>1,741,975</u>	<u>894,531</u>

Included in other receivables is an amount of €302,871 (31 December 2020: €11,294) being a deposit towards the purchase of land on which the proposed up to 25 MWe Billingham waste gasification and power plant at Haverton Hill, Billingham, UK, will be constructed.

## 17. EQUITY

During the 6-month period ended 30 June 2021, 1,450,322,620 shares (6 months ended 30 June 2020: 300,400,000 shares) were issued as follows:

Amounts of shares	6 months ended 30 June 2021	6 months ended 30 June 2020
Ordinary Shares of €0.001 each issued and fully paid		
- Beginning of the period	6,977,439,598	3,939,376,266
- Issued on exercise of warrants for cash	156,773,543	300,400,000
- Issued on exercise of employee share warrants for cash	46,884,149	-
- Issued in settlement of suppliers and other creditors	152,075,311	-
- Issued in exchange for shares in other entity	27,932,961	-
- Share issue for cash – public and private placement	<u>1,066,666,656</u>	<u>-</u>
<b>Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the period</b>	<u>8,427,772,218</u>	<u>4,239,776,266</u>

## 18. BORROWINGS

During the six months ended 30 June 2021, the following occurred in relation to debt securities:

On 4 January 2021, the Company announced that it had agreed an unsecured loan facility of £1.25 million with Altair Group Investment Limited, a substantial shareholder in the Company. The Loan Facility was for a term of 12 months and the principal and any accrued interest were repayable in full on 31 December 2021. The Loan Facility was unsecured and had a coupon rate of 6% per annum, payable quarterly in arrears. The Loan Facility was used to pay all sums due under the previous Secured Loan Facility that was in place at that time releasing and discharging any secured assets and obligations.

During the period all amounts due and owing under the unsecured loan facility were repaid in full.

**EQTEC plc**  
**Notes to the unaudited condensed consolidated financial statements**

**19. LEASES**

During the six-month period ended 30 June 2021, the Group acquired right-to-use assets financed through leases to the value of €214,378.

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Group</b>	<b>€</b>	<b>€</b>
Current	193,849	85,242
Non-current	<u>154,799</u>	<u>106,465</u>
	<u>348,648</u>	<u>191,707</u>

The Group has a lease for its offices in Iberia, Spain and London, United Kingdom. The lease liabilities are secured by the related underlying asset. Further minimum lease payments at 30 June 2021 were as follows:

	<u>Minimum lease payments due</u>						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	
	€	€	€	€	€	€	€
<b><u>30 June 2021</u></b>							
Lease payments	201,657	156,819	-	-	-	-	358,476
Finance charges	<u>(7,808)</u>	<u>(2,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,828)</u>
<b>Net Present Values</b>	<u>193,849</u>	<u>154,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,648</u>
<b><u>31 December 2020</u></b>							
Lease payments	89,828	89,828	18,714	-	-	-	198,370
Finance charges	<u>(4,586)</u>	<u>(1,993)</u>	<u>(84)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,663)</u>
<b>Net Present Values</b>	<u>85,242</u>	<u>87,835</u>	<u>18,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,707</u>

**20. TRADE AND OTHER PAYABLES**

Included in trade and other payables at 30 June 2021 is an amount of €2,341,427 (£2,010,000) (31 December 2020: €2,237,006) relating to consideration payable under the share purchase contract to acquire Logik WTE Limited.

**21. DISPOSAL GROUP CLASSIFIED AS HELD FOR RESALE AND DISCONTINUED OPERATIONS**

The amounts presented in the condensed consolidated statement of profit or loss and the condensed consolidated statement of cash flows under discontinued operations relates to its former subsidiary, Pluckanes Windfarm Limited, which was disposed of on 24 August 2020.

**22. RELATED PARTY TRANSACTIONS**

The Group's related parties include Altair Group Investment Limited ("Altair"), who at 30 June 2020 held 20% of the shares in the Company, the associate companies and key management.

**Transactions with Altair**

During the six-month period ended 30 June 2021, Altair advanced €1,391,173 (H1 2020: €Nil) by way of borrowings; this loan was repaid in the period. Interest payable to Altair for the six-month period ended 30 June 2021 amounted to €28,571 (H1 2020: €167,783); this includes a reprofiling fee of €Nil (H1 2020: €106,321) regarding the reprofiling of the debt facility that took place on 1 June 2020.

**22. RELATED PARTY TRANSACTIONS – Continued**

**Transactions with associate undertakings**

During the six-month period ended 30 June 2021, the Company booked in revenue €Nil (Six months ended 30 June 2020: €691,163) from its associated undertaking, North Fork Community Power LLC, on the sale of equipment and the supply of engineering and design services. During the six-month period ended 30 June 2021, the Group advanced €202,169 (H1 2020: €Nil) to North Fork Community Power LLC by way of a loan. Included in loans receivable from project undertakings is an amount of €237,436 (31 December 2020: €30,201) due from North Fork Community Power LLC.

**EQTEC plc****Notes to the unaudited condensed consolidated financial statements**

During the six-month period ended 30 June 2020, the Company recharged costs of €93,148 (H1 2020: €Nil) to its associated undertaking, EQTEC Italia MDC srl. Included in trade and other receivables at 30 June 2021 is €93,148 due from EQTEC Italia MDC srl (31 December 2020: €Nil).

During the six-month period ended 30 June 2020, the Company advanced a loan of €482,000 (H1 2020: €Nil) to its associated undertaking, EQTEC Italia MDC srl, and accrued interest income of €687 (H1 2020: €Nil). Included in financial assets at 30 June 2021 is €482,687 due from EQTEC Italia MDC srl (31 December 2020: €Nil).

**Transactions with key management**

A company controlled by a director, Mr. D Palumbo, provided office space for the Group in London. The cost of these services for the six-month period ended 30 June 2021 amounted to €12,566 (H1 2020: €9,091). At 30 June 2021, an amount of €Nil (31 December 2020: €3,172) is included in trade and other payable with respect to payments due to this company.

A company controlled by a director, Mr J Vander Linden, had provided advisory services to the Group prior to being appointed director. The cost of the services for the six-month period ended 30 June 2021 amounted to €Nil. Included in trade and other payables at 30 June 2021 is an amount of €Nil (31 December 2020: €63,883) with respect to payments due to this company. The balance at 31 December 2020 was settled through the issue of new ordinary shares of €0.001 each in the capital of the Company on 1 February 2021.

During the six-month period ended 30 June 2021, the Group entered into a royalty settlement arrangement, to the tune of €2,443,832, with Syngas Technology Engineering, S.L. (a company controlled by Dr. Yoel Alemán, the Group's CTO and current Board Director). This balance was settled through a cash payment of €1,000,000 with the remainder through the issue of new ordinary shares of €0.001 each in the capital of the Company on 3 June 2021.

Mr I Pearson, provided consultancy services to the Group during H1 2021 amounting to €116,261 (H1 2020: €Nil). Included in trade and other payables at 30 June 2021 is an amount of €Nil (31 December 2020: €Nil) with respect to payments due to him.

**23. 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.

**24. EVENTS AFTER THE BALANCE SHEET DATE**

No adjusting or significant non-adjusting events have occurred until the date of authorisation of these financial statements.

**25. APPROVAL OF FINANCIAL STATEMENTS**

The condensed consolidated financial statements for the six months ended 30 June 2021, which comply with IAS 34, were approved by the Board of Directors on 27 September 2021.

**ENQUIRIES**

<b>EQTEC plc</b>	+44 203 883 7009
David Palumbo / Nauman Babar	
<b>Strand Hanson – Nomad &amp; Financial Adviser</b>	+44 20 7409 3494
James Harris / James Dance	
<b>Arden Partners – Joint Broker</b>	+44 20 7614 5900
Paul Shackleton (Corporate) / Simon Johnson (Sales)	
<b>Canaccord Genuity – Joint Broker</b>	+44 20 7523 8000
Henry Fitzgerald-O'Connor / James Asensio / Patrick Dolaghan	



<b>Alma PR – Financial Media &amp; Investor Relations</b>	+44 20 3405 0205
Josh Royston / Sam Modlin	EQTEC@almapr.co.uk
<b>BECG – General Media Enquiries</b>	+44 7554 014 188 / +44 7867 452 269
Carrie Lowe / Tom Gosschalk	EQTEC@BECG.com

### **About EQTEC plc**

As one of the world’s most experienced gasification technology and engineering companies, with a growing track record of delivering operational and commercial success for transforming waste-to-energy through best-in-class technology innovation, engineering and project development, EQTEC brings together design innovation, project delivery discipline and solid commercial experience to add momentum to the global energy transition. EQTEC’s proven, proprietary and patented technology is at the centre of clean energy projects, sourcing local waste, championing local businesses, creating local jobs and supporting the transition to localised, decentralised and resilient energy systems.

EQTEC designs, supplies and builds advanced gasification facilities in the UK, EU and US, with highly efficient equipment that is modular and scalable from 1MW to 30MW. EQTEC’s versatile solutions process over 50 varieties of feedstock, including forestry wood waste, vegetation and other agricultural waste from farmers, industrial waste and sludge from factories and municipal waste, all with no hazardous or toxic emissions. EQTEC’s solutions produce a pure, high-quality synthesis gas (“syngas”) that can be used for the widest range of applications, including the generation of electricity and heat, production of synthetic natural gas (through methanation) or biofuels (through Fischer-Tropsch, gas-to-liquid processing) and reforming of hydrogen.

EQTEC’s technology integration capabilities enable the Group to lead collaborative ecosystems of qualified partners and to build sustainable waste reduction and green energy infrastructure around the world.

The Company is quoted on AIM (ticker: EQT) and the London Stock Exchange has awarded EQTEC the Green Economy Mark, which recognises listed companies with 50% or more of revenues from environmental/green solutions.

Further information on the Company can be found at [www.eqtec.com](http://www.eqtec.com).