28 September 2023

EQTEC plc

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

Interim results for the six months ended 30 June 2023

EQTEC plc (AIM: EQT), a global technology innovator powering distributed, decarbonised, new energy infrastructure through its waste-to-value solutions for hydrogen, biofuels and energy generation announces its unaudited, interim results for the six months ended 30 June 2023 ("**H1 2023**"), with post-period progress.

Financial highlights

- Revenue and other operating income: €0.145 million (H1 2022: €2.98 million)
- Gross profit €0.036 million (H1 2022: €0.24 million)
- EBITDA loss before significant and non-recurring items: €1.92 million (H1 2022: €1.97 million)
- Capital raise of £3.5 million (€4.05 million) through the placing of new shares
- Reprofiling of existing loan facilities including the conversion of existing debt into equity and settlement of strategic supplier fees in new Ordinary Shares

Financial performance over the first half of 2023 declined relative to previous periods as the Company makes a strategic shift away from development of high-risk, legacy projects, toward focus as a pure-play technology provider on pre-funded, risk-mitigated projects owned and driven by credible infrastructure owners and investors.

The Company views its H1 2023 financial underperformance as a consequence of this transition, whilst it refocuses a majority of its business development and engineering efforts on steady, reliable revenues from higher-probability client projects.

As engineering work now underway across a number of client projects completes in 2023 and early 2024, the Company anticipates further, greater revenues from equipment sales, other engineering services and licensing & maintenance support services, as well as additional revenue from front-end engineering on new client projects.

Business strategy and strategic investment

The Company announced its business strategy of moving out of project development and into pure-play technology licensing and innovation with its 2021 interim results and reaffirmed this strategy in its 2021 and 2022 annual reports, at successive, annual general meetings (the "**AGMs**") and in other public communications. The Company's strategy emphasises: (1) continuously developing and leveraging its IP-rich engineering and innovation capabilities; (2) de-risking its portfolio by occupying a narrow segment of the value chain, collaborating with the world's best value chain partners; and (3) driving higher margins through licensing its IP for use by owner-operators, deploying its engineering and design capabilities to get its IP deployed into more places, for the best-suited business models.

Despite the Company's well-publicised strategic focus, over the past six months and particularly over the past week, the Company's market valuation has declined dramatically. The Board regularly reviews the apparent disconnect between the market's valuation of the Company and the intrinsic value of its patented and proprietary technology, its pipeline, its partners and its prospects for integrating its technology into the right projects, as its business strategy gains traction.

In response, the Board is conducting a review of available options for required investment, with a particular focus on long-term, strategic investors of sufficient scale and resources to support the Company's growth and execution of its strategic vision. To facilitate engagement with prospective investors, the Company has, together with its advisors, including a major investment bank announced by the Company in February 2023, established a 10-year business plan built around its declared strategy.

Ian Pearson, Chairman of EQTEC, commented:

"The Board is committed to the Company's business strategy and its leadership as it negotiates a difficult transition out of EQTEC's project development past into its future business model as a leading technology innovation business. To add momentum behind execution of its strategy, the Company requires the sort of funding that only one or more strategic investors can bring. It is imperative that we respond to the AIM market's valuation of the Company by finding investors of scale that understand and believe in EQTEC's direction and full potential."

David Palumbo, CEO of EQTEC, commented:

"We remain committed to transitioning EQTEC from a broad-based project developer, exposed to a wide range of commercial and delivery risks, into a technology licensor and innovator focused on what we do best. We forecast that 2023 would be a pivotal year in that transition, and now we can begin to see its impact: an increasing number of pre-funded projects held by larger, better funded clients and co-delivered with a more reliable cadre of partners. At the same time, and even after avoiding €18 million in costs last year, we are having to make hard choices about making good on completion of legacy projects or leaving them behind. Either way, the impact of managing through the legacy work is painful in financial terms, as our revenue and profit figures indicate. But it is also temporary. The engineering work we are undertaking now on the renewed portfolio will gradually convert to equipment sales and paid fees for engineering, licensing & maintenance support. As we strictly qualify, select and contract new work, we expect increasingly smooth revenues across a busy portfolio of client-led projects. The second half of 2023 is focused on steady progression of our transition, including further clean-up of legacy challenges and growing the depth and breadth of our engagement with leading partners investing and building new energy infrastructure in Europe and beyond."

Commercial and operational highlights, including post period

- Italy Market Development Centre ("**MDC**"): The Group's reference plant in Tuscany, Italy was commissioned, made operational and handed over to Italian operating company EQTEC Italia MDC Srl; the Group also carried out site visits with prospective customers including large, European owner-operators. Post period, the Group, which owns c. 20% of the operating company, announced bank refinance of the plant worth €2.9 million, subject to specified performance improvements due to be made by the end of 2023.

- Biogaz Gardanne feasibility: The Group was awarded feasibility work funded by the France government toward a potential waste-to-renewable natural gas ("**RNG**") facility at the site of a former coal-fired power station, with Wood as the prospective methanation technology partner. Post period, the Company announced successful completion of steam-oxygen gasification tests at its R&D facility at the Université de Lorraine in Epinal, France ("**UL**"), as part of the Gardanne feasibility work. More broadly, the tests confirmed that similar results to those achieved with EQTEC steam-oxygen gasification technology at the UL facility can be directly applied at commercial scale, for production of advanced biofuels. The Group later announced completion of feasibility work and progress toward paid engineering work, supported by the French government and with emerging prospects for private-sector investment.

- Limoges project: In partnership with French utility company Idex, the Group was awarded a project by the Limoges Métropole for a waste-to-RNG facility; the project is due to order paid engineering work from EQTEC in late 2023 or early 2024, with Wood as prospective methanation technology partner.

- Colibrì projects: The Company announced a collaboration framework agreement with Poseidon LNG Hub Srl of Italy toward deployment of EQTEC technology in Italy for clean, waste-to-RNG plants, starting with a portfolio of four projects in northern Italy backed by a consortium including Linde plc, Wood, Alfa Laval AB and Chemprod Srl.

- France MDC: Post period, the Company announced the sale to Idex of 95% of the share capital of Grande-Combe SAS, the project company for the France MDC and the second project for the partnership; the Group also announced that it and Idex had signed a contract for front-end engineering design ("**FEED**") work expected to start immediately and complete within 2023, with the Group expected to receive revenues of €440,000 for engineering services. However, subsequent rescheduling of the completion of FEED work to December 2023 is expected to result in recognition of such revenues being delayed to early 2024. The Group also confirmed that it anticipates by early 2025 invoicing the project for a total of €15 million for engineering services, equipment, commissioning and licensing.

Current trading and outlook

The Company is accelerating its transition toward its target business model of technology licensor and innovator, by recovering or releasing legacy projects, qualifying and pursuing new opportunities in target markets, continuing its programme of applied research and trials for client projects at the Université de Lorraine and driving operational and organisational changes to the Group itself.

The Company's transition efforts in 2023 have focused on four legacy projects, driving to re-establish value, recover cash or exit them.

- At the North Fork project in California, USA, the Company and its fellow NFCP shareholders, with the support of the project's bondholder, have replaced the project manager and are in the process of exiting the lead contractor for the project. The change follows restructuring of the project achieved through the pre-packaged Chapter 11 bankruptcy announced by the Company in October 2022 and a concerted push by shareholders and bondholder for accelerated completion of construction, toward commissioning and live operation of the intended 2.0 MWe forestry waste-to-power and biochar plant. Additionally, NFCP has cancelled its contract with the prospective operations and maintenance provider, transitioning North Fork Community Power LLC ("**NFCP**") from simply a shareholding entity to a full, operating company. NFCP has appointed a highly experienced project management and consultancy company to drive project progress and to support its ramp-up of the operational capability.

- At the Deeside project in Flintshire, UK, the Company announced on 20 September 2023 that it had issued a legal claim against project development partner Logik Developments Limited ("**Logik Developments**") and its wholly owned subsidiary Logik WTE Limited (collectively, "**Logik**") in connection with payments made by the Group and due to the Group, and for breach of the share purchase agreement between Logik Developments and Deeside WTV, EQTEC's wholly owned project company. The claim outlined a number of payments due to the Group for reimbursement of loans made by the Group to Logik, for reimbursement of direct payments made by the Group on Logik's behalf and for work undertaken by EQTEC on behalf of Logik, originally in Logik's scope of work. The total amounts claimed by the Group total c. £4 million.

- EQTEC commenced commissioning work in Larissa, Greece at the 0.5 MWe plant owned and to be operated by Agrigas Energy SA. However, the Company is owed outstanding fees of €400,000 and is unwilling to progress with completion of commissioning until these are paid. The Company is actively working with project EPC ewerGy GmbH to recover fees and proceed with commissioning.

- The Company announced on 20 September 2023 that it would cease activity on its Billingham project in Teesside, UK, given the difficulties and costs past and future with developing the project through to financial close. Recent withdrawals of private wire offtaker candidates for the prospective plant, combined with the decision by the grid connection provider to cancel the project's grid connection, made it unfeasible for the Company to prioritise the project against its emerging portfolio of work in France, Italy and elsewhere.

The Company has sought to limit its priority activities to a focused set of opportunities and projects as outlined above. However, it has also kept in touch with emerging opportunities in its go-to-markets and especially in France, Croatia, Ireland and USA.

- In France, the Group has engaged with one of Europe's largest utility companies for provision of tailored solutions for industrial clients. The utility is designing, deploying and operating on-premise solutions for its industrial clients and sees a range of opportunities for EQTEC's syngas technology as part of its offering.

- In Croatia, the Group continues to engage investors interested in funding the Croatia MDC in Belišće, Croatia toward full operation. The Group had intended to see the plant recommissioned by the end of 2023, but the prospective investors requested operational data from Italia MDC over an extended period of stable operations, thus pushing out the original schedule for Croatia MDC. As soon as EQTEC Italia MDC Srl is able to provide sufficient data, the Company anticipates proceeding toward full funding of the Belišće plant.

- In Ireland, the Company announced on 25 July 2023 a collaboration framework agreement with Irish development and project management company Domi Ost Limited, for deployment of EQTEC solutions into Ireland, especially for RNG, hydrogen or other advanced applications such as ethanol or methanol. The Company confirmed that the parties have identified four projects for joint pursuit, one of which is now under active development.

- In the USA, the Company is looking beyond California, carefully qualifying opportunities that it could support with its limited and Europe-based capability. It is in discussions with two large owner-operators with interest in decarbonisation and new energy infrastructure. Additionally, and with a view to longer-term development of local engineering capability to support the US market, the Company is in discussions with two top-tier, R1 research universities toward establishment of R&D facilities on their premises, based on EQTEC technology.

The Group continued its programme of applied research and trials for client projects with the Energy from Biomass and Wastes team, part of the Laboratoire d'Etudes et de Recherche sur le Matériau Bois at UL. In July 2023, the Group announced success with steam-oxygen gasification trials for advanced applications such as RNG, hydrogen and other biofuels. In October 2023, the Group will carry out additional trials in support of at least one client seeking to convert refused-derived fuel ("**RDF**") from municipal solid waste into power or biofuels.

Finally, and in support of redoubling its efforts in an efficient and effective way toward accelerating its transition out of legacy work and into target business, the Company is making targeted operational and organisational changes:

- The Company and CFO Nauman Babar have come to mutual agreement for his transition out of the business before the end of 2023. Mr Babar is departing in light of family considerations that require him to relocate outside the UK. The Board has commenced a search for Mr Babar's replacement, and he has committed to support the Company with orderly handover of his responsibilities. Mr. Babar's replacement will be announced in due course.

- Executive Directors have proposed, and the Board of Directors has agreed that, in recognition of 2023 revenue underperformance and the near-term requirement for cash preservation in the Company, the short-term incentive bonus programme ("**STI**") and the long-term incentive share options programme ("**LTIP**") for all Executive Directors shall be suspended until further notice.

- On 04 April 2023, the Executive Directors agreed that 24% of their remuneration payable in 2023 could be satisfied, at the discretion of the Company's remuneration committee, by the issue of new Ordinary Shares. The Executive Directors have now agreed to waive completely their entitlement to receive 24% of their remuneration payable in 2023.

The principal, unaudited, condensed and consolidated financial statements for the six months ended 30 June 2023 are set out below:

EQTEC plc and Group

Unaudited, condensed, consolidated statement of profit or loss
for the six months ended 30 June 2023

	Notes	6 months ended 30 June 2023	6 months ended 30 June 2022
		€	€
Revenue	6	145,293	2,981,006
Cost of sales		(109,528)	(2,742,168)
Gross profit		35,765	238,838
Operating income/(expenses)			
Administrative expenses		(2,124,280)	(2,464,310)
Impairment of project costs		-	(1,872)
Other income		52,914	-
Other gains	7	182,833	-
Foreign currency (losses)/gains		(68,897)	253,214
Operating loss		(1,921,665)	(1,974,130)
Share of loss from equity accounted investments		(102,996)	(7,322)
Gains from sales to equity accounted investments deferred		-	(83,504)
Gain/(loss) on revaluation of equity accounted investment		16,726	(488)
Change in fair value of investments		(6,822)	(249,120)
Finance income		39,451	233,953
Finance costs		(449,300)	(199,751)
Loss before taxation	6	(2,424,606)	(2,280,362)
Income tax	8	-	-
LOSS FOR THE FINANCIAL PERIOD		(2,424,606)	(2,280,362)
Loss/(Profit) attributable to:			
Owners of the company		(2,424,594)	(2,280,379)
Non-controlling interest		(12)	17
		(2,424,606)	(2,280,362)

		6 months ended 30 June 2023	6 months ended 30 June 2022
		€ per share	€ per share
Basic loss per share:			
From continuing operations	9	(0.0002)	(0.0003)
From continuing and discontinued operations	9	(0.0002)	(0.0003)
Diluted loss per share:			
From continuing operations	9	(0.0002)	(0.0003)
From continuing and discontinued operations	9	(0.0002)	(0.0003)

EQTEC plc and Group
Unaudited, condensed, consolidated statement of other comprehensive income
for the six months ended 30 June 2023

	6 months ended 30 June 2023	6 months ended 30 June 2022
	€	€

Loss for the financial period		(2,424,606)	(2,280,362)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on retranslation of foreign operations		229,958	(235,360)
		229,958	(235,360)
Total comprehensive loss for the financial period		(2,194,648)	(2,515,722)
Attributable to:			
Owners of the company		(2,126,160)	(2,574,813)
Non-controlling interests		(68,488)	59,091
		(2,194,648)	(2,515,722)

EQTEC plc and Group
Unaudited, condensed, consolidated statement of financial position
at 30 June 2023

	Notes	30 June 2023	31 December 2022
ASSETS		**€**	**€**
Non-current assets			
Property, plant and equipment	10	537,187	133,053
Intangible assets	11	17,515,929	17,578,231
Investments accounted for using the equity method	12	7,758,573	7,619,514
Financial assets		3,838,754	3,728,434
Other financial investments		174,866	171,186
Total non-current assets		29,825,309	29,230,418
Current assets			
Development costs	13	7,138,705	6,033,543
Loans receivable from project development	13	5,597,403	5,446,087
Trade and other receivables	14	7,083,640	7,221,046
Cash and cash equivalents		1,041,525	1,693,116
Total current assets		20,861,273	20,393,792
Total assets		**50,686,582**	**49,624,210**
EQUITY AND LIABILITIES		**€**	**€**
Equity			
Share capital	15	28,906,359	26,799,584
Share premium		89,806,447	87,203,372
Other reserves		2,694,125	2,694,125
Accumulated deficit		(79,432,079)	(77,305,919)
Equity attributable to the owners of the company		41,974,852	39,391,162

Non-controlling interests		(2,327,011)	(2,258,523)
Total equity		**39,647,841**	**37,132,639**
Non-current liabilities			
Borrowings		2,281,341	1,064,598
Lease liabilities	17	370,163	-
Total non-current liabilities		2,651,504	1,064,598
Current liabilities			
Trade and other payables	18	5,711,017	6,264,404
Borrowings	16	2,583,243	5,106,038
Lease liabilities	17	92,977	56,531
Total current liabilities		**8,387,237**	**11,426,973**
Total equity and liabilities		**50,686,582**	**49,624,210**

EQTEC plc and Group
Unaudited, condensed, consolidated statement of changes in equity
for the six months ended 30 June 2023 and the six months ended 30 June 2022

	Share Capital	Share premium	Other reserves	Accumulated deficit	Equity attributable to owners of the company	Non-controlling interests	Total
	€	€	€	€	€	€	€
Balance at 1 January 2022	**25,977,130**	**83,610,562**	**2,353,868**	**(66,177,072)**	**45,764,488**	**(2,384,189)**	**43,380,299**
Transactions with owners	-	-	-	-	-	-	-
Loss for the financial period	-	-	-	(2,280,379)	(2,280,379)	17	(2,280,362)
Unrealised foreign exchange gains/(losses)	-	-	-	(294,434)	(294,434)	59,074	(235,360)
Total comprehensive loss for the financial period	-	-	-	(2,574,813)	(2,574,813)	59,091	(2,515,722)
Balance at 30 June 2022	**25,977,130**	**83,610,562**	**2,353,868**	**(68,751,885)**	**43,189,675**	**(2,325,098)**	**40,864,577**
Balance at 1 January 2023	**26,799,584**	**87,203,372**	**2,694,125**	**(77,305,919)**	**39,391,162**	**(2,258,523)**	**37,132,639**
Issue of ordinary shares	1,596,560	2,399,413	-	-	3,995,973	-	3,995,973
Issue of ordinary shares in lieu of debt	510,215	621,674	-	-	1,131,889	-	1,131,889
Share issue costs	-	(418,012)	-	-	(418,012)	-	(418,012)
Transactions with owners	2,106,775	2,603,075	-	-	4,709,850	-	4,709,850
Loss/(profit) for the financial period	-	-	-	(2,424,594)	(2,424,594)	(12)	(2,424,606)
Unrealised foreign exchange losses	-	-	-	298,434	298,434	(68,476)	229,958

Total comprehensive loss for the financial period	-	-	-	(2,126,160)	(2,126,160)	(68,488)	(2,194,648)
Balance at 30 June 2023	**28,906,359**	**89,806,447**	**2,694,125**	**(79,432,079)**	**41,974,852**	**(2,327,011)**	**39,647,841**

EQTEC plc and Group
Unaudited, condensed, consolidated statement of cash flows
for the six months ended 30 June 2023

	Notes	**6 months ended 30 June 2023 €**	**6 months ended 30 June 2022 €**
Cash flows from operating activities			
Loss for the financial period		(2,424,606)	(2,280,362)
Adjustments for:			
Depreciation of property, plant and equipment		92,823	117,055
Amortisation of intangible assets		62,301	62,301
Share of loss from equity accounted investments		102,996	7,322
Gains from sales to equity accounted investments deferred		-	83,504
(Gain)/loss on revaluation of equity accounted investment		(16,726)	488
Change in fair value of investments		6,822	249,120
(Gain)/(loss) on debt for equity swap		(182,833)	-
Unrealised foreign exchange movements		332,389	(468,471)
Operating cash flows before working capital changes		(2,026,834)	(2,229,043)
(Increase)/decrease in:			
Development costs		(1,105,162)	(1,444,134)
Trade and other receivables		102,061	(1,296,294)
Decrease in Trade and other payables		(652,009)	(186,641)
Cash used in operating activities – continuing operations		(3,681,944)	(5,156,112)
Income taxes repaid		22,746	-
Finance income		(39,451)	(233,953)
Finance costs		449,300	199,751
Cash used in operating activities		**(3,249,349)**	**(5,190,314)**
Cash flows from investing activities			
Additions to property, plant and equipment		(7,482)	(26,465)
Additions to other investments		(5,665)	-
Deposit paid on land purchase		-	(593,799)
Investment in related undertakings		-	(356,279)
Loans advanced to equity accounted investments		(225,250)	(2,715,253)
Loans repaid by equity accounted investments		33,200	
Other advances to equity accounted investments		(2,000)	-
Loans advanced to project development undertakings		-	(781,483)
Cash used in investing activities		**(207,197)**	**(4,473,279)**
Cash flows from financing activities			
Proceeds from borrowings and lease liabilities		906,540	5,981,262
Repayment of borrowings and lease liabilities		(2,006,943)	(212,847)
Proceeds from issue of ordinary shares		4,051,609	-
Share issue costs		(247,173)	-
Loan issue costs		(9,097)	(328,769)

Interest paid	(2,101)	(608)
Net cash generated from financing activities	**2,692,835**	**5,439,038**
Net (decrease)/ increase in cash and cash equivalents	**(763,711)**	**(4,224,555)**
Cash and cash equivalents at the beginning of the financial period	1,693,116	6,446,217
Cash and cash equivalents at the end of the financial period	**929,405**	**2,221,662**

EQTEC plc and Group
Notes to the unaudited, condensed, consolidated financial statements
for the six months ended 30 June 2023

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 2023 were authorised for issue in accordance with a resolution of the directors on 27 September 2023.

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 nearly 60 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 2023 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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2022. 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.

The financial information for the six months ended 30 June 2023 and the comparative financial information for the six months ended 30 June 2022 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 2022 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 €2,424,606 (1H 2022: €2,280,362) during the six-month period ended 30 June 2023 and had net current assets of €12,474,036 (31 December 2022: €8,966,819) and net assets of €39,647,841 (31 December 2022: €37,132,639) at 30 June 2023.

Going concern and future funding

These unaudited interim condensed consolidated financial statements have been prepared on a going-concern basis, which assumes the Company will have sufficient funds available to enable it to trade for not less than twelve months from the date of announcing these unaudited interim condensed consolidated financial statements.

The management team has prepared financial forecasts to estimate the likely cash requirements of the Company over the next twelve months from the date of announcing these unaudited interim condensed consolidated financial statements. These forecasts show that the Company will require additional external debt or equity funding going into the second half of 2024 to be able to continue as a going concern.

The directors have assessed that there is a reasonable prospect that the funding required for the Company to continue as a going concern will be secured and therefore have prepared the unaudited interim condensed consolidated financial statements on a going-concern basis. In the event that additional funding is not secured, the Company would not be a going concern and as a consequence there is a material uncertainty relating to the Company's ability to continue as a going concern.

The unaudited interim condensed consolidated 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 2022, except for the amendment to the development assets policy and the adoption of new standards and interpretations and revisions of existing standards as of 1 January 2023 noted below:

New/revised standards and interpretations adopted in 2023

The following amendments to existing standards and interpretations were effective in the period to 30 June 2023, but were either not applicable or did not have any material effect on the Group:

- IFRS 17: *Insurance Contracts*;
- Amendments to IAS 12: *Income Taxes – International Tax Reform – Pillar Two Model Rules*;
- Amendments to IAS 12: *Income Taxes – Deferred Taxes related to Assets and Liabilities arising from a Single Transaction*;
- Amendments to IAS 8: *Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*; and
- Amendments to IAS 1: *Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies*.

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.

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 2022.

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; and

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 6 months ended		**Segment Profit/(Loss) 6 months ended**	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
	€	€	€	€
Technology Sales	145,293	2,981,006	(781,496)	(536,346)
Power Generation	-	-	(99)	(63)
Total from continuing operations	145,293	2,981,006	(781,595)	(536,409)
Central administration costs and directors' salaries			(1,306,920)	(1,689,063)
Impairment of project costs			-	(1,872)
Other income			52,914	

Other gains and losses	182,833	-
Foreign currency (losses)/gains	(68,897)	253,214
Share of loss of equity accounted investments	(102,996)	(7,322)
Gains from sales to equity accounted investments deferred	-	(83,504)
Gain/(loss) on revaluation of equity accounted investment	16,726	(488)
Change in fair value of investments	(6,822)	(249,120)
Finance income	39,451	233,953
Finance costs	(449,300)	(199,751)
Loss before taxation (continuing operations)	(2,424,606)	(2,280,362)

Revenue reported above represents revenue generated from associated undertakings and external customers. Inter-segment sales for the financial period amounted to €Nil (2022: €Nil). Included in revenues in the Technology Sales Segment are revenues of €Nil (2022: €2,550,000) which arose from sales to associate undertakings and joint ventures 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 6 months ended**		**Additions to non-current assets 6 months ended**	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
	€	€	€	€
Technology sales	57,429	61,794	496,612	26,465
Power Generation	-	-	-	-
Head Office	97,695	117,563	-	-
	155,124	179,357	496,612	26,465

The Group operates in four principal geographical areas: Republic of Ireland (country of domicile), the European Union, 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 30 June 2023	**6 months ended 30 June 2022**	**As at 30 June 2023**	**As at 31 December 2022**
	€	€	€	€
Republic of Ireland	-	-	-	-
European Union	145,293	2,981,006	2,769,657	2,392,776
United States	-	-	-	-
United Kingdom	-	-	-	35,049
	145,293	2,981,006	2,769,657	2,427,825

*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 2023 €	6 months ended 30 June 2022 €
Gain on debt for equity swap	182,833	-

During the financial period, the Group extinguished some of its borrowings by issuing equity instruments. In accordance with IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, the gain recognised on these transactions was €182,833 (H1 2022: €Nil).

8. INCOME TAX

	6 months ended 30 June 2023 €	6 months ended 30 June 2022 €
Income tax expense comprises:		
Current tax expense	-	-
Deferred tax credit	-	-
Adjustment for prior financial periods	-	-
Tax expense	-	-

An income tax charge does not arise for the six months ended 30 June 2023 or 30 June 2022 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 2023 € per share	6 months ended 30 June 2022 € per share
Basic loss per share		
From continuing operations	(0.0002)	(0.0003)
From discontinued operations	-	-
Total basic loss per share	(0.0002)	(0.0003)
Diluted loss per share		
From continuing operations	(0.0002)	(0.0003)
From discontinued operations	-	-
Total diluted loss per share	(0.0002)	(0.0003)

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 2023 €	6 months ended 30 June 2022 €

Loss for period attributable to equity holders of the parent	(2,424,594)	(2,280,379)
Profit for the period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Losses used in the calculation of basic loss per share from continuing operations	(2,424,594)	(2,280,379)
	No.	**No.**
Weighted average number of ordinary shares for the purposes of basic loss per share	10,474,682,261	8,599,024,945
Weighted average number of ordinary shares for the purposes of diluted loss per share	10,474,682,261	8,599,024,945

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 2023	**30 June 2022**
Share warrants in issue	2,053,846,832	462,472,488
Share options in issue	67,304,542	67,304,542
Convertible loans	276,698,306	93,457,944
LTIP Shares in issue	374,779,879	23,045,003
Total anti-dilutive shares	2,772,629,559	646,279,977

10. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2023, the Group acquired property, plant and equipment to the value of €489,130 financed by new leases (H1 2022 - €Nil) and €7,482 financed by cash. (H1 2022: €26,465).

11. INTANGIBLE ASSETS

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

	Goodwill 30-Jun-23	Patents 30-Jun-23	**Total 30-Jun-23**	Goodwill 31-Dec-22	Patents 31-Dec-22	**Total 31-Dec-22**
Cost	€	€	**€**	€	€	**€**
At start and at end of the financial period	16,710,497	2,492,059	**19,202,556**	16,710,497	2,492,059	**19,202,556**
Amortisation and impairment						
At start of the financial period	1,427,038	197,287	**1,624,325**	1,427,038	72,685	**1,499,723**
Amortisation for the period		62,300	**62,300**		124,602	**124,602**
Impairment losses	-			-		
At end of the financial period	1,427,038	259,587	**1,686,625**	1,427,038	197,287	**1,624,325**
Carrying value						

At start and at end of the financial period	15,283,459	2,232,470	**17,515,929**	15,283,459	2,294,772	**17,578,231**

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method are made up as follows:

	30 June 2023	**31 December 2022**
	€	**€**
Investment in associate undertakings	4,399,974	4,263,604
Investment in joint ventures	3,358,599	3,355,910
	7,758,573	7,619,514

The carrying amount of equity-accounted investments has changed as follows in the six months to June 2023:

	Associate Undertakings 6 months ended 30 June 2023	**Joint Ventures 6 months ended 30 June 2023**
	€	**€**
Beginning of the period	4,263,604	3,355,910
Loans advanced in period	218,750	6,500
Loans repaid in period	(32,000)	(1,200)
Interest accrued on loans in period	31,597	-
Share of loss on equity-accounted investments in period	(99,241)	(3,755)
Gain on revaluation of equity accounted investment	16,726	-
Exchange differences	538	1,144
	4,399,974	3,358,599

13. DEVELOPMENT ASSETS

	30 June 2023	**31 December 2022**
	€	**€**
Costs associated with project development	7,138,705	6,033,543
Loan receivable from project development undertakings		
- Convertible loans	2,908,147	2,824,572
- Other loans	2,689,256	2,621,515
	5,597,403	5,446,087

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 €450,000 which is receivable, along with accrued interest, 18 months from the date of drawdown. Interest is charged at 15% per annum. At 30 June 2023, the loan is valued at €605,177 (31 December 2022: €597,329).

Included in loans receivable is an amount of £2,500,000 (31 December 2022: £2,500,000) arising from development service fees to Shankley Biogas Limited which has been converted into a convertible loan note secured by a fixed and floating charge on the assets and business of Shankley Biogas Limited. The loan note, which is interest-free, is due to be paid to the company following sale of, or investment into Shankley Biogas Limited by any third party. At 30 June 2023, the loan is valued at €2,908,147 (31 December 2022: €2,824,572).

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

14. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables is an amount of €884,077 (31 December 2022: €858,670) 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.

15. EQUITY

During the 6-month period ended 30 June 2023, 2,106,774,908 shares (6 months ended 30 June 2022: Nil shares) were issued as follows:

Amounts of shares	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Ordinary Shares of €0.001 each issued and fully paid		
Beginning of the period	9,421,479,112	8,599,024,945
Issued in lieu of borrowings and settlement of payables	510,214,516	-
Share issue for cash – public and private placement	1,596,560,373	-
Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the period	11,528,254,001	8,599,024,945

16. BORROWINGS

During the six months ended 30 June 2023, the following occurred in relation to debt securities:

Altair Facility

On 21 March 2023, it was announced that Altair Group Investments Limited ("Altair"), the largest shareholder of the Company, has agreed to subscribe for £1.5 million pursuant to the Placing announced on that date. In addition, the Company has an existing £2 million loan facility with Altair, as announced on 9 December 2022 (the "Altair Facility"). The Company and Altair entered into an agreement through which Altair's participation in the Placing will be applied towards reducing the outstanding amount of £1.8 million under the Altair Facility and to increase the maximum amount of such facility to £3.5 million, with £1.7 million remaining available for drawdown following the

Altair Placing and intended repayment (the "Facility Extension"). All other terms of the Altair Facility remain unchanged.

Lenders' Facility

On 21 March 2023, the Company announced that the Company had an existing £10 million loan facility with Riverfort Global Opportunities PCC Limited and YA II PN Limited (the "Lenders" and the "Lenders Facility"). As at 21 March 2023, the outstanding balance of the Lenders Facility is £5,137,500. The Lenders agreed, conditional upon admission of the placing shares pursuant to the £3.5 million placing as announced on 21 March 2023, to convert £887,500 of the current outstanding loan balance into 403,409,091 units at the placing price comprising 403,409,091 new Ordinary Shares ("Lender Shares") and 201,704,540 share purchase warrants on the same terms as the Warrants.

The Lenders have also agreed to reprofile the monthly repayment schedule of the Lenders' Facility for the period until 31 December 2024, with repayments starting on 30 June 2023. A one-off reprofile fee of 3% of the Lenders' Facility will be added to the outstanding balance. Following the reprofile, the outstanding balance of the Lenders' Facility will be £4.25 million and a fixed-interest monthly coupon of £31,875 will be payable when repayments commence.

The Lenders will also receive warrants over 965,909,091 Ordinary Shares as part of the debt reprofile, exercisable for a period of two years from the date of grant at a 100 percent premium over the Placing Price ("Lender Warrants"). However, the Lender Warrants will be exercisable only once the mid-market closing price of the Ordinary Shares is equal to or exceeds 0.55 pence at the time of exercise.

17. LEASES

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

	30 June 2023	31 December 2022
	€	€
Current	92,977	56,531
Non-current	370,163	-
	463,140	56,531

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 2023 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**
	€	**€**	**€**	**€**	**€**	**€**	**€**
30 June 2023							
Lease payments	105,600	105,600	105,600	105,600	74,800	-	497,200
Finance charges	(12,623)	(9,795)	(6,881)	(3,878)	(883)	-	(34,060)
Net Present	92,977	95,805	98,719	102,722	73,917	-	463,140
31 December							
Lease payments	56,849	-	-	-	-	-	56,849
Finance charges	(318)	-	-	-	-	-	(318)
Net Present	56,531	-	-	-	-	-	56,531

18. TRADE AND OTHER PAYABLES

Included in trade and other payables at 30 June 2023 is an amount of €2,559,169 (£2,200,000) (31 December 2022: €2,485,623 (£2,200,000)) relating to consideration payable under the share purchase contract to acquire Logik WTE Limited.

19. RELATED PARTY TRANSACTIONS

The Group's related parties include Altair Group Investment Limited ("Altair"), who at 30 June 2023 held 15.91% of the shares in the Company, the associate and joint venture companies and key management.

Transactions with Altair

During the six-month period ended 30 June 2023, Altair advanced €906,540 (H1 2022: €Nil) by way of borrowings and was repaid €1,707,919 (H1 2022: €Nil) with respect to these loans. Interest payable to Altair for the six-month period ended 30 June 2023 amounted to €42,295 (H1 2022: €Nil). Included in borrowings, net of amortisation costs, at 31 December 2022 is an amount of €372,130 (31 December 2022: €1,064,598) due to Altair from the Group

Transactions with associate undertakings and joint ventures

The following aggregated transactions were made with associate undertakings and joint ventures in the six months ended 30 June 2023:

	6 months ended 30 June 2023	6 months ended 30 June 2022
Loans to associated undertakings and joint ventures	**€**	**€**
Beginning of the financial period	5,174,551	3,621,307
Loans advanced in period	225,250	2,715,253
Loans repaid in period	(33,200)	-
Reclassified as equity	(254,470)	-
Interest accrued on loans in period	31,597	186,251
Exchange differences	2,450	203,103
At end of the financial period	5,146,178	6,725,914

	6 months ended 30 June 2023	6 months ended 30 June 2022
Sales of goods and services	**€**	**€**
Technology sales	-	2,550,000
Other income	52,913	-

	30 June 2023	31 December 2022
Period-end balances	**€**	**€**
Included in trade receivables	5,113,553	4,243,628
Re-charge of costs	31,482	27,508

Transactions with key management

Key management of the Group are the members of EQTEC plc's board of directors. There have been no non-remuneration transactions with key management in the six months ended 30 June 2023.

20. EVENTS AFTER THE BALANCE SHEET DATE

Sale of subsidiary

On 12 July 2023, the Company announced that it had agreed with French infrastructure owner and utility company Idex to the sale of 95% of the share capital of its 100% subsidiary, Grande-Combe SAS ("Grande-Combe"), the project company for the Company's France Market Development Centre ("MDC") and the project to construct and commission it ("France MDC"). Idex's acquisition of Grande-Combe from the Company has been formalised through execution of a share-purchase agreement (the "SPA") and a shareholders' agreement (together with the SPA, the "Agreement"). Under the terms of the Agreement, Idex acquires the project for construction and commissioning of France MDC and EQTEC remains the integrator and licensor of core technology, also retaining the right to utilise France MDC as an MDC.

The main elements of the Agreement are as follows:

- Under the SPA, Idex acquires 95% of the share capital in Grande-Combe, with the Company retaining a 5% carried interest; EQTEC's carried interest requires no financial investment by EQTEC;
- In respect of the acquired share capital, the Company receives a fixed consideration of €750,000, payable at completion of the transaction (the "Fixed Consideration");
- In addition to the Fixed Consideration, the Company is eligible to receive additional payments up to full commissioning of the France MDC, subject to achieving performance milestones and for a combined total of up to €750,000;
- In addition, under the Agreement, EQTEC will receive fees for engineering services, equipment, commissioning and licensing over the period Q4 2023 - Q1 2025, estimated to amount in total c. €15 million; and
- Under the Agreement, the Company is entitled to utilise France MDC for one prospective client visit per month, with more visits possible under specific terms.

Discontinuation of Billingham Project

On 20 September 2023, the Company announced its intention to cease activity on its Billingham project at Haverton Hill, Teesside, UK (the "Project"). The Company's decision comes amidst challenging market conditions in the UK and following recent setbacks with the project that make it increasingly inappropriate for the Company to prioritise the Project against opportunities elsewhere. Given its investments into development of the Project in recent years and the likelihood the Company will be unable to recover all of them, the Company anticipates writing some of them off. At 30 June 2023, the total costs capitalised in the Project amounted to €4,721,316.

Legal claim against Logik Developments Limited and Logik WTE Limited re: Deeside

On 20 September 2023, the Company initiated legal proceedings in the London Circuit Commercial Court of the Business and Property Courts of England and Wales by submitting a Particulars of Claim against Logik Developments Limited and Logik WTE Limited. The Claim outlines the case against Logik for failure to pay for the services rendered, costs incurred and loans made by EQTEC plc and its subsidiaries to Logik and for breach of the share purchase agreement between the two parties originally executed on 07 December 2020 and amended several times since that date (the "SPA"). The amounts claimed by the Group total c. £4 million.

In relation to the Deeside project, as at 30 June 2023 the full consideration of €3,838,754 (or £3,454,878) (31 December 2022: €3,728,434 (or £3,300,000)) has been recognised as an Investment in Related Undertakings and the balance of consideration payable of €2,559,169 (£2,303,252) (31 December 2022: €2,485,623 (£2,200,000)) has been recognised as a liability in Other Payables. In addition, the total costs capitalised in relation to the Project amounted to €3,548,873 of which €1,464,794 was classified as Development Costs and €2,084,079 as Loans Receivable from Project Development Undertakings.

21. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2023, which comply with IAS 34, were approved by the Board of Directors on 27 September 2023.

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

ENQUIRIES

EQTEC plc David Palumbo / Nauman Babar	+44 20 3883 7009
Strand Hanson - Nomad & Financial Adviser James Harris / Richard Johnson	+44 20 7409 3494
Panmure Gordon - Broker John Prior / Hugh Rich	+44 20 7886 2500
Instinctif - Media & investor relations enquiries Guy Scarborough / Tim Field	EQTEC@instinctif.com +44 791 717 8920 / +44 788 788 4794

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.